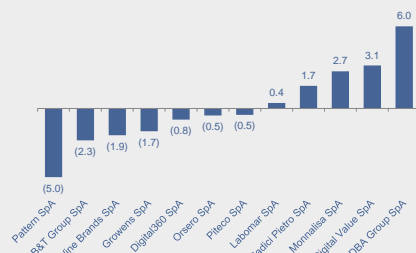




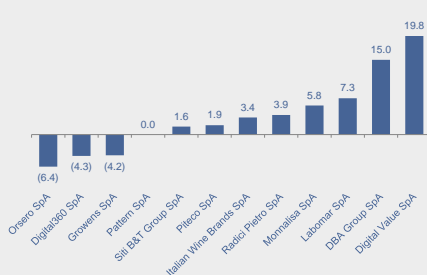
3<sup>rd</sup> May 2021

The CFO SIM Monthly Snapshots publication provides investors with a brief periodic overview of our coverage in terms of fundamentals, absolute/relative valuation and absolute/relative stock price performance, in addition to company description and shareholder structure. Specific company Equity Research reports are available on the CFO SIM and Borsa Italiana websites.

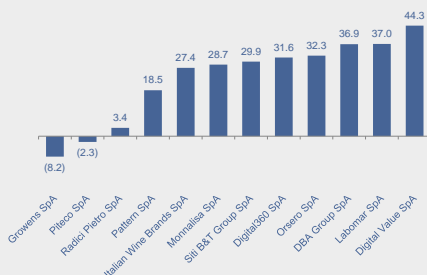
1W abs. performance



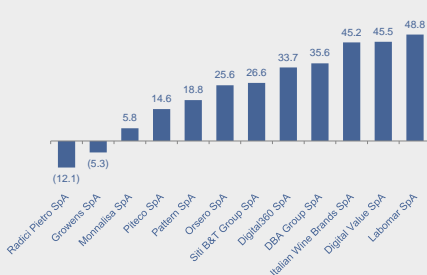
1M abs. performance



3M abs. performance



YTD abs. performance



Equity Research Department:  
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CFO SIM Coverage	Mkt Cap € m	Price €	Rating	PT €	% Upside	1Y Max	1Y Min
DBA Group SpA	13.2	1.15	BUY	1.50	30.4	1.24	0.66
Digital360 SpA	40.1	2.46	BUY	4.00	62.6	2.94	0.81
Digital Value SpA	554.3	56.00	BUY	68.00	21.4	57.40	19.50
Growens SpA	62.1	4.15	BUY	6.00	44.6	5.74	4.04
Italian Wine Brands SpA	223.5	30.20	BUY	41.40	37.1	32.40	13.00
Labomar SpA	184.8	10.00	NEUTRAL	9.50	(5.0)	11.40	6.38
Monnalisa SpA	21.8	4.17	NEUTRAL	2.50	(40.0)	6.20	2.16
Orsero SpA	139.0	7.86	BUY	11.50	46.3	8.62	4.65
Pattern SpA	65.1	4.75	BUY	7.00	47.4	5.20	3.16
Piteco SpA	218.0	10.80	NEUTRAL	11.30	4.6	12.10	5.60
Radicci Pietro SpA	16.1	1.85	BUY	2.50	35.5	2.12	1.24
Siti B&T Group SpA	31.6	2.52	BUY	4.20	66.7	2.64	1.40

Source: CFO SIM, Thomson Reuters Eikon.

IPO Data	Sector	Date	Price €	Mkt Cap € m	Type	Raised € m	% since IPO*
DBA Group SpA	ICT Consul.	14-Dec-17	4.00	52.0	Prim./Sec.	23.0	(71.3)
Digital360 SpA	Digital	13-Jun-17	1.15	17.7	Primary	6.6	113.9
Digital Value SpA	IT Services	08-Nov-18	10.00	89.6	-	22.5	621.1
Growens SpA	MarTech	29-Jul-14	1.92	20.0	Primary	3.0	116.1
Italian Wine Brands SpA	Food & Bev.	29-Jan-15	10.00	52.1	-	-	202.0
Labomar SpA	Nutraceutical	05-Oct-20	6.00	110.9	Prim./Sec.	29.9	66.7
Monnalisa SpA	Fashion	12-Jul-18	13.75	72.0	Prim./Sec.	18.5	(69.7)
Orsero SpA	Food	13-Feb-17	10.00	80.0	(SPAC)	80.0	1.2
Pattern SpA	Luxury Eng.	17-Jul-19	3.25	44.2	Prim./Sec.	12.5	46.2
Piteco SpA	Software	31-Jul-15	3.30	59.8	Primary	16.5	227.3
Radicci Pietro SpA	Textile	26-Jul-19	3.10	26.7	Primary	6.2	(40.5)
Siti B&T Group SpA	Machinery	31-Mar-16	8.00	100.0	Prim./Sec.	26.0	(68.5)

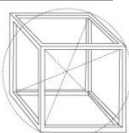
Source: CFO SIM, Borsa Italiana, Company Data, Thomson Reuters Eikon, \*for DGV and ORS it takes into consideration warrants too

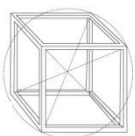
% Absolute performance	1D	1W	1M	3M	6M	YTD	1Y
DBA Group SpA	1.3	6.0	15.0	36.9	67.6	35.6	7.5
Digital360 SpA	(1.6)	(0.8)	(4.3)	31.6	87.8	33.7	196.4
Digital Value SpA	(0.7)	3.1	19.8	44.3	80.6	45.5	167.9
Growens SpA	0.0	(1.7)	(4.2)	(8.2)	(3.9)	(5.3)	(5.5)
Italian Wine Brands SpA	(0.3)	(1.9)	3.4	27.4	67.8	45.2	116.5
Labomar SpA	0.0	0.4	7.3	37.0	49.3	48.8	n.a.
Monnalisa SpA	(1.0)	2.7	5.8	28.7	78.2	5.8	35.4
Orsero SpA	(0.5)	(0.5)	(6.4)	32.3	46.1	25.6	56.0
Pattern SpA	(0.8)	(5.0)	0.0	18.5	29.1	18.8	18.5
Piteco SpA	(0.9)	(0.5)	1.9	(2.3)	37.1	14.6	75.3
Radicci Pietro SpA	2.5	1.7	3.9	3.4	42.5	(12.1)	16.0
Siti B&T Group SpA	(0.8)	(2.3)	1.6	29.9	54.6	26.6	64.7
MSCI World Index	(0.8)	(0.2)	3.4	10.4	28.2	9.2	43.2
EUROSTOXX	(0.4)	(0.5)	1.1	12.3	32.0	10.7	36.6
FTSE Italia All Share	(0.5)	(0.9)	(1.7)	12.4	35.0	9.3	36.7
FTSE STAR Italia	0.2	0.2	2.8	16.0	37.0	14.3	54.3
FTSE AIM Italia	(0.0)	(0.0)	5.5	21.9	46.3	25.0	35.6

Source: Thomson Reuters Eikon

% Relative performance	1D	1W	1M	3M	6M	YTD	1Y
DBA Group SpA	1.4	6.0	9.5	15.0	21.3	10.6	(28.1)
Digital360 SpA	(1.6)	(0.8)	(9.8)	9.7	41.5	8.7	160.8
Digital Value SpA	(0.7)	3.1	14.3	22.5	34.4	20.4	132.3
Growens SpA	0.0	(1.6)	(9.7)	(30.0)	(50.2)	(30.3)	(41.1)
Italian Wine Brands SpA	(0.3)	(1.9)	(2.1)	5.6	21.5	20.2	80.9
Labomar SpA	0.0	0.4	1.8	15.1	3.0	23.8	n.a.
Monnalisa SpA	(0.9)	2.7	0.3	6.8	31.9	(19.2)	(0.2)
Orsero SpA	(0.5)	(0.5)	(11.9)	10.5	(0.2)	0.5	20.3
Pattern SpA	(0.8)	(5.0)	(5.5)	(3.4)	(17.2)	(6.3)	(17.2)
Piteco SpA	(0.9)	(0.4)	(3.6)	(24.1)	(9.2)	(10.4)	39.7
Radicci Pietro SpA	2.5	1.7	(1.6)	(18.5)	(3.8)	(37.2)	(19.6)
Siti B&T Group SpA	(0.7)	(2.3)	(3.9)	8.0	8.3	1.6	29.1

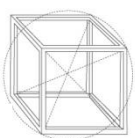
Source: Thomson Reuters Eikon, perf. rel. to FTSE AIM Italia, Piteco to FTSE Italia All Share and Orsero to FTSE STAR Italia







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Italy - ICT Consulting

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 1.50</b>
<b>Upside/(downside) %</b>	<b>30%</b>
<b>Last Price €</b>	<b>1.15</b>
<b>Market Cap. €m</b>	<b>13.2</b>
<b>1Y High €</b>	<b>1.24</b>
<b>1Y Low €</b>	<b>0.66</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>62,071</b>
<b>Free Float</b>	<b>50%</b>
<b>RIC</b>	<b>DBA.MI</b>
<b>BBG</b>	<b>DBA IM</b>



Founded in 1991 by the four De Bettin brothers in the hard-working and creative north east of Italy, DBA Group is specialised in network connectivity and infrastructure lifecycle support solutions. The core competence of DBA Group is the proven ability to provide telematics solutions for strategic infrastructures to clients whose business is network-performance critical. It provides integrated services and solutions in the ICT, Project Management and Architecture and Engineering fields in six industries. Founded as an engineer and architect associated firm, now DBA Group is the only player in Italy able to offer the synergic combination of the aforementioned services and solutions for the management of the entire infrastructure lifecycle. DBA Group offers high value added services and software platforms which meet the full range of potential technical, technological and ICT customer needs during the entire infrastructure lifecycle with the aim of providing high added value support services for infrastructure management and maintenance.

**STRENGTHS**

- The only player offering the synergic combination of its 2 BU unit services and solutions
- over 600 highly skilled, loyal and motivated employees, o/w 60% are graduates

**WEAKNESSES**

- Limited size in the international competitive arena
- Few key relevant people represent a vital asset for the company
- Reference markets price pressure hampers group profitability
- Need of reinforcement of the management structure to boost developments

€ m	2018	2019	2020e	2021e	2022e
Value of production	49.0	61.0	70.4	70.1	71.6
EBITDA	4.4	3.3	4.6	5.0	6.0
EBIT	1.6	(2.3)	(0.1)	0.5	1.6
EBIT Adjusted	2.3	(1.2)	1.0	1.7	2.8
Net Profit	0.2	(2.7)	(0.8)	(0.2)	0.5
Net Profit Adjusted	0.9	(1.6)	0.4	1.0	1.6
Capex	9.5	8.1	3.3	2.6	2.5
Net Debt (Cash)	9.0	14.0	17.0	15.3	12.9
EPS reported (€/share)	0.02	(0.27)	(0.08)	(0.02)	0.05
EPS Adjusted (€/share)	0.09	(0.16)	0.04	0.10	0.16
CPS (€/share)	(0.12)	0.28	0.03	0.42	0.49
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	9.1%	5.4%	6.5%	7.2%	8.4%
EBIT margin	3.4%	-3.8%	-0.2%	0.8%	2.3%
Dividend yield	-	-	-	-	-
ROCE	3.9%	neg.	neg.	1.0%	3.4%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 28<sup>th</sup> January 2021

% YoY	2018	2019	2020e	2021e	2022e
Value of production	8.4%	24.6%	15.4%	-0.4%	2.1%
EBITDA	-3.0%	-25.3%	37.6%	10.0%	20.4%
EBIT	-22.1%	n.m.	-94.1%	n.m.	n.m.
Net Profit	-71.5%	n.m.	-72.5%	-74.4%	n.m.
Net Profit Adjusted	-31.0%	n.m.	n.m.	n.m.	69.7%
Capex	48.4%	-15.0%	-59.1%	-2.12%	-3.8%
Debt	n.m.	55.2%	21.4%	-9.5%	-15.7%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
AECOM	0.83	0.80	13.7	12.6	15.8	14.5	23.7	21.6	18.8	17.3
Alten SA	1.33	1.21	13.1	10.6	18.0	13.7	26.2	20.4	17.2	14.4
Arcadis NV	1.03	0.88	9.6	8.0	16.0	12.8	20.7	18.6	10.7	10.1
Jacobs Engineering Group Inc	1.35	1.23	15.7	13.4	17.5	14.8	22.7	19.8	19.4	17.2
SNC-Lavalin Group Inc	0.81	0.73	8.2	6.9	10.8	8.7	18.4	14.6	11.4	10.0
Sweco AB (publ)	2.53	2.37	18.1	16.6	25.9	23.3	33.7	30.8	21.5	20.1
<b>Engineering &amp; PMO median</b>	<b>1.18</b>	<b>1.04</b>	<b>13.4</b>	<b>11.6</b>	<b>16.8</b>	<b>14.1</b>	<b>23.2</b>	<b>20.1</b>	<b>18.0</b>	<b>15.8</b>
Accenture PLC	3.71	3.41	20.0	18.5	25.1	22.8	35.5	32.2	26.4	24.6
Capgemini SE	1.76	1.61	11.4	10.2	15.5	13.5	19.4	17.0	12.7	11.7
Devoteam SA	0.97	0.85	8.3	7.4	9.7	8.3	20.3	18.0	15.7	15.1
Reply SpA	2.80	2.48	17.2	15.1	21.3	18.3	32.1	28.2	24.0	21.7
TXT e solutions SpA	1.12	1.33	9.1	10.3	12.9	15.9	18.0	15.5	11.4	9.3
<b>ICT software median</b>	<b>1.76</b>	<b>1.61</b>	<b>11.4</b>	<b>10.3</b>	<b>15.5</b>	<b>15.9</b>	<b>20.3</b>	<b>18.0</b>	<b>15.7</b>	<b>15.1</b>
<b>DBA Group SpA</b>	<b>0.43</b>	<b>0.41</b>	<b>6.6</b>	<b>5.7</b>	<b>29.8</b>	<b>17.0</b>	<b>33.1</b>	<b>13.8</b>	<b>3.4</b>	<b>3.1</b>
% prem./disc. to Engineering & PMO	(63.7)	(60.9)	(50.5)	(50.9)	77.5	20.7	42.8	(31.3)	(81.4)	(80.5)
% prem./disc. to ICT software	(75.6)	(74.7)	(41.8)	(44.5)	91.9	7.0	63.2	(23.4)	(78.6)	(79.6)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
DB holding	40.6%	4.67
NB Aurora	9.8%	1.13
Market	49.6%	5.70
<b>Total</b>	<b>100.0%</b>	<b>11.50</b>

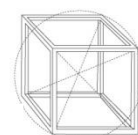
Source: Company data

Price performance	1M	3M	12M
DBA Group	15.0%	36.9%	7.5%
Rel.to FTSE AIM	9.5%	15.0%	-28.1%
Rel.to Peers Median	12.2%	17.0%	-51.0%

Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>19-22</sub>	NFP/EBITDA FY1
AECOM	8,165	6.1%	n.a.	1.7
Alten SA	3,596	7.7%	-0.6%	n.m.
Arcadis NV	3,192	9.1%	10.8%	1.6
Jacobs Eng.	14,462	8.2%	0.5%	1.0
Snc-Lavalin	3,268	4.2%	-7.9%	2.7
Sweco AB	5,449	13.4%	5.8%	0.6
Accenture PLC	160,480	18.4%	6.7%	n.m.
Capgemini SE	25,937	14.9%	7.7%	2.2
Devoteam SA	924	11.6%	3.4%	n.m.
Reply SpA	4,266	16.0%	9.0%	n.m.
TXT e solutions	98	11.9%	15.5%	n.m.
<b>DBA Group</b>	<b>13</b>	<b>6.5%</b>	<b>5.4%</b>	<b>3.7</b>

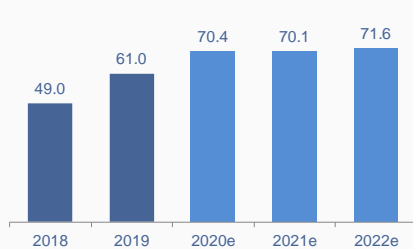
Source: Thomson Reuters Eikon



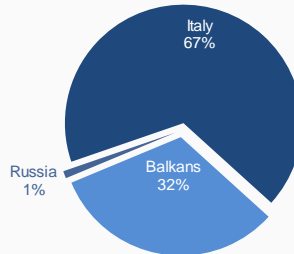


Italy - ICT Consulting

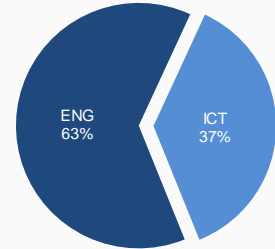
Value of production (€m)



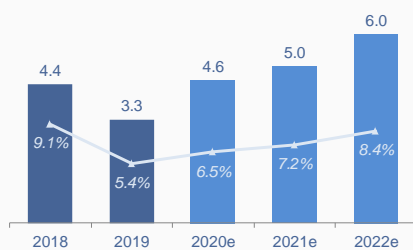
2019 top line by country



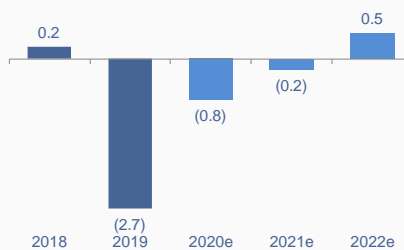
2019 top line by business unit



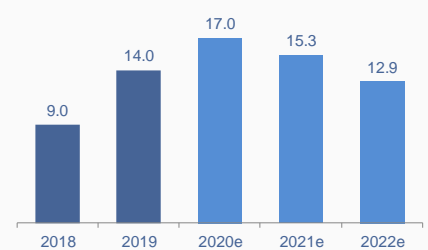
EBITDA (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

The virus has definitely accelerated the digitalisation process and investment in network infrastructure, cybersecurity and IT. Conversely, investment in infrastructure associated with the provision of goods (roads and ports) experienced a marked slowdown. Market conditions remain tough, as highlighted by FY-20 preliminary figures, with price pressure affecting profitability. This, in addition to a still oversized structure compared to the current level of portfolio orders in terms of quality and quantity, is impacting numbers.

In our view, the revised business plan reasonably factors in tough market conditions for 2020-21 as well as a tentative recovery starting in 2022, with lower growth rates and greater margin pressure compared to the previous guidance. The new figures are realistically sustainable in the wake of the significantly changed market conditions.

The upside to the current price suggests only a long term Buy rating on the stock. DBA's track record remains unfavourable: weak interim results prompted the company to revise its budget. In addition, Covid-19 has worsened the business outlook and further deteriorated the competitive situation.

Peer Group Absolute Performance

%	1M	3M	12M
AECOM	3.2%	32.6%	83.2%
Alten SA	2.1%	19.5%	58.4%
Arcadis NV	0.4%	21.1%	146.7%
Jacobs Engineering Group Inc	2.8%	32.3%	61.5%
SNC-Lavalin Group Inc	1.3%	29.9%	7.1%
Sweco AB (publ)	4.4%	8.4%	34.8%
Accenture PLC	4.2%	19.9%	56.6%
Capgemini SE	3.0%	27.5%	77.7%
Devoteam SA	4.0%	12.2%	57.8%
Reply SpA	1.0%	12.0%	77.3%
TXT e solutions SpA	-1.2%	5.3%	-4.3%

Source: Thomson Reuters Eikon

Latest IR Press Releases

April 28 <sup>th</sup> , 2021	Signing of a framework agreement with SNAM <a href="#">(link)</a>
March 3 <sup>rd</sup> , 2021	New Financial Calendar <a href="#">(link)</a>
February 22 <sup>nd</sup> , 2021	DBA PRO. designs the Data Center of "Leonardo", the supercomputer of 250 million billion operations per second <a href="#">(link)</a>

Financial Calendar

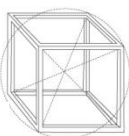
Between May 20 <sup>th</sup> and 25 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
Between June 21 <sup>th</sup> and 25 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
Between September 27 <sup>th</sup> and 30 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
28/01/2021	€ 1.50	BUY	FY-20 prel. results	<a href="#">link</a>
10/11/2020	€ 1.50	BUY	New BP release	<a href="#">link</a>
26/10/2020	€ 1.50	BUY	H1-20 results	<a href="#">link</a>
22/06/2020	€ 1.80	BUY	FY-19 results	<a href="#">link</a>

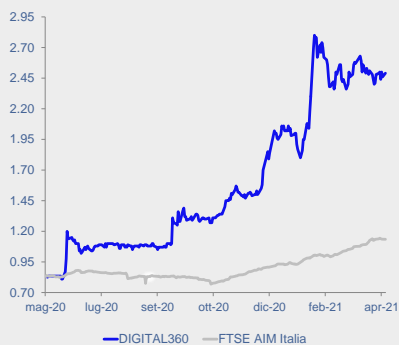
Investor Relations Contacts

<b>Issuer</b> DBA Group SpA Viale Felissent, 20/d 31020 – Villorba (TV)	<b>Investor Relations Manager</b> Francesco Fontana +39 0422318990 investor.relations@dbagroup.it
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Italy - Digital

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 4.00</b>
<b>Upside/(downside) %</b>	<b>63%</b>
<b>Last Price €</b>	<b>2.46</b>
<b>Market Cap. €m</b>	<b>40.1</b>
<b>1Y High €</b>	<b>2.94</b>
<b>1Y Low €</b>	<b>0.81</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>59,523</b>
<b>Free Float</b>	<b>26%</b>
<b>RIC</b>	<b>DIGIT.MI</b>
<b>BBG</b>	<b>DIG IM</b>



**DIGITAL360**

DIGITAL360 is a leading Italian B2B player in the digital innovation arena, offering support to firms and public administrations for understanding and implementing digital innovation processes. Established in 2012, the company runs a match making platform between digital innovation demand and offer. The firm operates in two business areas: 1) Demand Generation - focuses on tech providers, supporting them in marketing and lead generation activities, through a unique model, based on Digital Marketing & Sales Engine approach; and 2) Advisory&Coaching - is aimed at companies and public administrations via a unique business model based on engineered methodologies, data, asset and know how.

The group has grown significantly in recent years: turnover CAGR11-20 is 39%, boosted by acquisitions, 9 companies between 2012 and 2019, adding a total of € 11.2m revenues. In the same period, EBITDA soared from € 0.2m to € 5.0m, 43% CAGR.

**STRENGTHS**

- Leading position in a large, growing and fragmented market
- Modest CapEx requirement

**WEAKNESSES**

- Current exposure just to domestic market, heavy dependence on one single country
- Limited size in the international competitive arena
- Few key relevant people represent vital asset for the company

€ m	2019	2020	2021e	2022e	2023e
Revenues	24.9	26.1	34.2	38.2	42.2
Total revenues	25.2	26.3	34.2	38.2	42.3
EBITDA	2.5	5.1	6.0	7.1	8.9
EBIT	0.1	2.5	2.9	3.9	5.9
EBIT Adjusted	1.2	3.2	3.6	4.7	6.6
Net Profit	(0.8)	1.1	1.5	2.2	3.5
Net Profit Adjusted	0.3	1.7	2.3	3.0	4.2
Capex	1.9	1.7	2.7	1.7	1.5
Net Debt (Cash)	6.3	1.4	0.6	(2.9)	(7.3)
EPS reported FD (€ cents)	(0.05)	0.06	0.09	0.13	0.20
EPS Adjusted FD (€ cents)	0.02	0.10	0.13	0.17	0.24
CPS (€ cents)	0.06	0.36	0.20	0.28	0.34
DPS (€ cents)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	10.0%	19.4%	17.5%	18.5%	21.0%
EBIT margin	0.3%	9.6%	8.4%	10.3%	13.9%
Dividend yield	-	-	-	-	-
Op NWC/Sales	24.8%	25.8%	26.8%	26.8%	27.0%
ROCE	0.4%	13.2%	13.7%	18.2%	25.3%

Source: Company data, CFO SIM Estimates, Rating and Price Target updated as of 25<sup>th</sup> March 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of Production	12.1%	4.4%	29.9%	11.7%	10.7%
EBITDA	-1.5%	n.m.	17.6%	17.8%	25.7%
EBIT	-79.3%	n.m.	13.8%	37.1%	49.6%
Net Profit	-88.4%	n.m.	40.5%	49.3%	54.5%
Net Profit Adjusted	-1.6%	n.m.	29.5%	32.8%	40.8%
Capex	-66.7%	-9.5%	59.6%	-37.0%	-11.8%
Debt	38.7%	-78.4%	-55.0%	n.m.	n.m.

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Booz Allen Hamilton Holding Corp	1.61	1.51	15.1	14.4	16.8	16.0	21.5	20.6	18.5	17.8
Future PLC	5.49	4.36	18.5	14.0	20.8	15.9	25.1	20.3	21.6	17.4
Gartner Inc	4.11	3.55	23.5	20.1	34.3	27.3	44.9	36.2	27.3	24.2
HubSpot Inc	20.49	16.09	161.2	120.6	241.2	167.5	309.9	213.6	191.8	144.8
Infoma PLC	5.25	4.13	18.5	12.6	23.5	14.9	27.3	17.1	19.8	13.7
Relx PLC	5.80	5.34	16.0	14.4	19.0	16.8	21.8	19.4	17.3	15.8
ServiceNow Inc	17.04	13.35	55.3	43.0	72.0	53.8	90.0	69.0	65.7	52.8
TechTarget Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	50.9	34.3	35.9	28.9
Wolters Kluwer NV	4.84	4.63	16.0	15.1	20.5	19.2	24.7	23.4	18.0	17.2
<b>Median</b>	<b>5.37</b>	<b>4.49</b>	<b>18.5</b>	<b>14.8</b>	<b>22.2</b>	<b>18.0</b>	<b>27.3</b>	<b>23.4</b>	<b>21.6</b>	<b>17.8</b>
<b>DIGITAL360 SpA</b>	<b>1.19</b>	<b>0.97</b>	<b>6.8</b>	<b>5.3</b>	<b>11.3</b>	<b>7.9</b>	<b>17.8</b>	<b>13.4</b>	<b>8.6</b>	<b>7.4</b>
% premium / (discount)	(77.8)	(78.3)	(63.3)	(64.4)	(49.3)	(56.0)	(34.8)	(42.8)	(60.0)	(58.1)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Andrea Rangone	23.8%	3.89
Mariano Corso	11.8%	1.92
Alessandro Giuseppe Perego	11.6%	1.90
Raffaello Balocco	4.8%	0.79
Gabriele Faggioli	4.1%	0.66
Carlo Mochi Sismondi	3.0%	0.50
Other <3.5%	15.0%	2.45
<b>Free Float</b>	<b>25.8%</b>	<b>4.21</b>
<b>Total</b>	<b>100.0%</b>	<b>16.31</b>

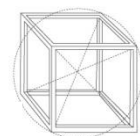
Source: Company data

Price performance	1M	3M	12M
DIGITAL360	-4.3%	31.6%	196.4%
Rel.to FTSE AIM	-9.8%	9.7%	160.8%
Rel.to Peers median	-6.7%	21.6%	152.3%

Source: Thomson Reuters Eikon

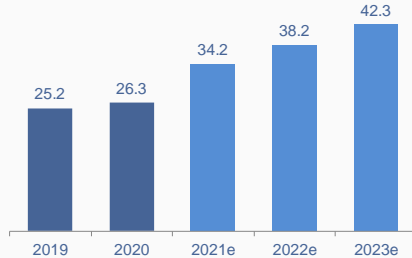
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Booz Allen	9,505	10.6%	2.6%	1.6
Future PLC	3,272	29.6%	28.6%	1.3
Gartner Inc	14,174	17.5%	11.0%	1.6
HubSpot Inc	20,628	12.3%	27.5%	n.m.
Infoma PLC	9,713	20.5%	-6.6%	5.5
Relx PLC	41,758	36.4%	6.6%	2.3
ServiceNow	83,194	30.1%	26.2%	n.m.
TechTarget	1,796	33.5%	25.2%	n.a.
Wolters Kluw.	20,301	30.1%	2.5%	1.5
<b>DIGITAL360</b>	<b>40</b>	<b>17.5%</b>	<b>17.4%</b>	<b>0.1</b>

Source: Thomson Reuters Eikon

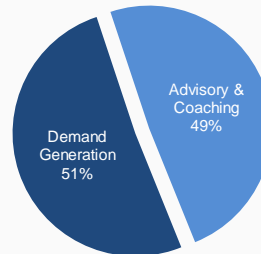


Italy - Digital

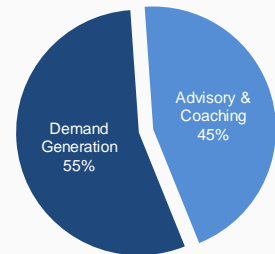
Total Revenues (€m)



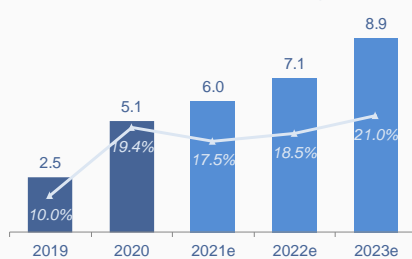
2020 top line by business unit



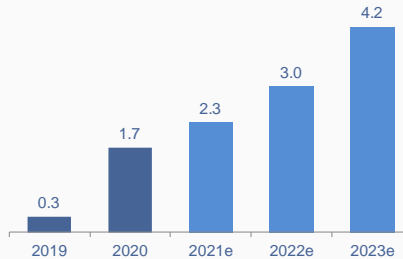
2019 top line by business unit



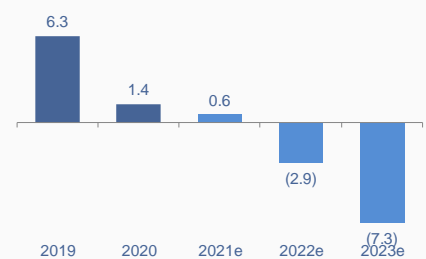
EBITDA (€m) and EBITDA margin (%)



Net Profit adjusted (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

FY-20 results confirm the preliminary numbers announced last February. The terrific performance was driven by 1) the investments made in the last few years aimed at the development of innovative and scalable subscription services (Digital As-A-Service) which generate recurring revenues; and 2) a wider range of services offered to support the digital transformation of companies and public administrations.

Following the FY-20 results release, CFO SIM has left its model unchanged, significantly upgraded at the time of the preliminary figure release. We updated our valuation criteria, bringing the free risk rate up-to-date and postponed our first valuation projection by one year. We also introduced estimates for 2023.

Business momentum, as well as earnings momentum, remains strong. The group's solid balance sheet allows it to consider another round of external growth opportunities, adding further appeal to the stock, on the back of its favourable track record.

Peer Group Absolute Performance

%	1M	3M	12M
Booz Allen Hamilton Holding Corp	1.5%	-2.6%	12.9%
Future PLC	18.0%	35.8%	128.7%
Gartner Inc	4.6%	28.9%	64.9%
HubSpot Inc	8.4%	41.4%	212.2%
Infoma PLC	-1.7%	12.5%	28.0%
Relx PLC	2.4%	3.7%	4.6%
ServiceNow Inc	-0.1%	-6.8%	44.0%
TechTarget Inc	7.7%	2.7%	228.9%
Wolters Kluwer NV	0.7%	10.0%	12.1%

Source: Thomson Reuters Eikon

Latest IR Press Releases

April 27 <sup>th</sup> , 2021	The shareholders' meeting approves annual accounts and buy-back plan ( <a href="#">link</a> )
April 8 <sup>th</sup> , 2021	DIGITAL360: information & cyber security practice revenues and subscription services to grow in 2020 ( <a href="#">link</a> )
March 22 <sup>nd</sup> , 2021	DIGITAL360 board of Directors approves FY-20 results ( <a href="#">link</a> )

Financial Calendar

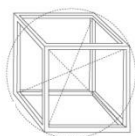
March 22 <sup>nd</sup> , 2021	Board of Directors (FY-20 Results)
April 29 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 20 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
25/03/2021	€ 4.00	BUY	FY-20 results	<a href="#">link</a>
12/02/2021	€ 3.10	BUY	FY-20 prel. results	<a href="#">link</a>
23/09/2020	€ 2.40	BUY	H1-20 results	<a href="#">link</a>
26/06/2020	€ 1.70	BUY	Business update	<a href="#">link</a>

Investor Relations Contacts

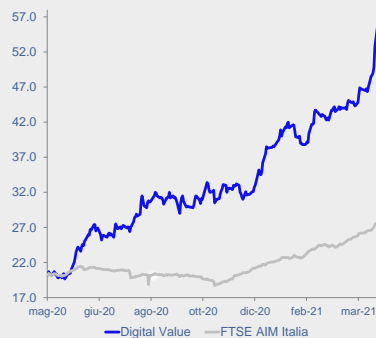
<b>Issuer</b> DIGITAL360 SpA Via Copernico, 38 20125 – Milano (MI)	<b>Investor Relations Manager</b> Emilio Adinolfi +39 0292852801 emilio.adinolfi@digital360.it
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Italy - IT Services

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 68.00</b>
<b>Upside/(downside) %</b>	<b>21%</b>
<b>Last Price €</b>	<b>56.00</b>
<b>Market Cap. €m</b>	<b>554.3</b>
<b>1Y High €</b>	<b>57.40</b>
<b>1Y Low €</b>	<b>19.50</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>12,980</b>
<b>Free Float</b>	<b>25%</b>
<b>RIC</b>	<b>DGV.MI</b>
<b>BBG</b>	<b>DGV IM</b>



Digital Value originates from the combination of two domestic IT systems integrators, Italtware and ITD Solutions, with more than 30 years of experience in the field. The group supports the digital transformation of its customers through an offer of customised solutions and services. Headquartered in Milan, DGV (Digital Value) focuses on large accounts, firms with more than 500 employees, accounting for more than 50% of total IT spending in Italy in 2019 and the most promising segment in the IT service arena in terms of growth. The group boasts key expertise in network infrastructure and data centers, security, network testing and monitoring, workstation management, Help Desk, data management and analysis, ERP systems management, retail applications, information systems on premise support and governance, outsourcing and cloud.

**STRENGTHS**

- Focus on Top Clients (>500 employees) the fastest growing segment of the market
- Complete technological solution portfolio from major global IT vendors
- Solid BS, skilled and motivated team, copious technical certifications and competences

**WEAKNESSES**

- Rather marked customer concentration in TLC, utilities and PA
- Decisions are in the hands of few key relevant people, even though DGV is becoming increasingly structured with new senior management hiring

€ m	2019	2020	2021e	2022e	2023e
Sales	363.2	440.6	529.0	601.6	684.0
Value of production	364.8	442.3	530.3	602.8	685.4
EBITDA	31.9	45.4	55.2	63.8	75.6
EBIT	27.1	34.0	40.6	46.4	61.3
Net Profit	19.0	24.1	27.7	31.7	42.1
Net Profit Adjusted	19.0	24.1	27.7	31.7	42.1
Capex	34.4	13.0	13.0	13.0	13.0
Net Debt (Cash)	(28.0)	(32.9)	(62.6)	(102.8)	(154.1)
EPS reported FD (€/share)	1.90	2.42	2.78	3.18	4.23
EPS Adjusted FD (€/share)	1.90	2.42	2.78	3.18	4.23
CPS (€/share)	3.13	1.82	4.28	5.34	6.45
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	8.8%	10.3%	10.4%	10.6%	11.0%
EBIT margin	5.2%	5.4%	5.2%	5.3%	6.1%
Dividend yield	-	-	-	-	-
Op NWC/Sales	-29.4%	-20.7%	-15.9%	-14.1%	-13.1%
ROCE	27.5%	25.0%	24.4%	23.2%	25.0%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 9<sup>th</sup> April 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of production	22.4%	21.2%	19.9%	13.7%	13.7%
EBITDA	32.9%	42.1%	21.7%	15.5%	18.6%
EBIT	26.1%	25.7%	19.4%	14.3%	32.0%
Net Profit	28.3%	27.0%	14.9%	14.6%	32.7%
Net Profit Adjusted	28.3%	27.0%	14.9%	14.6%	32.7%
Capex	n.m.	-62.1%	-0.2%	0.0%	0.0%
Debt	-11.9%	17.2%	90.4%	64.3%	50.0%

Source: Company data, CFO SIM

Outstanding shares	%	# m
DV Holding SpA	67.2%	6.65
Promoters	7.4%	0.74
Free Float	25.4%	2.51
<b>Total</b>	<b>100.0%</b>	<b>9.90</b>

Source: Company data

Price performance	1M	3M	12M
Digital Value	19.8%	44.3%	167.9%
Rel.to FTSE AIM	14.3%	22.5%	132.3%
Rel.to Peers Median	15.8%	30.5%	109.5%

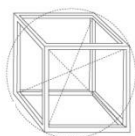
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Accenture	160,480	18.6%	8.0%	n.m.
Alten	3,596	10.1%	8.4%	n.m.
Atos	6,280	14.2%	2.3%	n.m.
Aubay	559	11.9%	4.5%	n.m.
Bechtle	7,172	6.3%	9.0%	n.m.
Cappgemini	25,937	15.4%	6.0%	1.6
CDW Corp	20,852	8.5%	8.0%	1.8
Computacenter	3,514	4.6%	8.0%	n.m.
Devoteam	924	11.6%	6.1%	n.m.
Econocom	824	6.5%	4.7%	n.m.
Indra Sistemas	1,543	10.1%	3.9%	1.4
Reply	4,266	16.2%	11.1%	n.m.
Sesa	1,803	6.2%	12.2%	n.m.
Sopra Steria	3,206	11.0%	4.5%	0.8
TietoEVRY	3,439	17.3%	2.2%	1.4
<b>Digital Value</b>	<b>554</b>	<b>10.4%</b>	<b>15.7%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Accenture PLC	3.71	3.41	20.0	18.5	25.1	22.8	35.5	32.2	26.4	24.6
Alten SA	1.33	1.21	13.1	10.6	18.0	13.7	26.2	20.4	17.2	14.4
Atos SE	0.54	0.49	3.8	3.3	6.9	5.6	8.3	7.4	4.3	4.0
Aubay SA	1.12	1.04	9.4	8.7	11.4	10.6	19.7	18.2	14.7	13.7
Bechtle AG	1.11	1.00	17.5	15.8	23.3	20.7	33.7	30.4	22.9	21.1
Cappgemini SE	1.76	1.61	11.4	10.2	15.5	13.5	19.4	17.0	12.7	11.7
CDW Corp	1.43	1.35	16.8	16.0	18.6	17.2	24.7	22.8	21.3	20.4
Computacenter PLC	0.45	0.42	9.6	9.0	13.4	12.4	20.5	19.8	13.2	12.9
Devoteam SA	0.97	0.85	8.3	7.4	9.7	8.3	20.3	18.0	15.7	15.1
Econocom Group SE	0.30	0.28	4.6	4.4	6.7	6.0	11.4	10.2	6.5	6.4
Indra Sistemas SA	0.63	0.57	6.2	5.3	9.4	7.8	12.2	10.1	6.5	5.8
Reply SpA	2.80	2.48	17.2	15.1	21.3	18.3	32.1	28.2	24.0	21.7
Sesa SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	34.1	28.0	20.0	16.8
Sopra Steria Group SA	0.79	0.72	7.1	6.1	11.4	9.4	14.5	12.6	7.8	7.1
TietoEVRY Corp	1.46	1.38	8.3	7.6	12.2	10.9	13.3	12.2	8.3	7.9
<b>Median</b>	<b>1.11</b>	<b>1.02</b>	<b>9.5</b>	<b>8.8</b>	<b>12.8</b>	<b>11.6</b>	<b>20.3</b>	<b>18.2</b>	<b>14.7</b>	<b>13.7</b>
<b>Digital Value SpA*</b>	<b>0.93</b>	<b>0.76</b>	<b>9.0</b>	<b>7.1</b>	<b>12.2</b>	<b>9.8</b>	<b>20.2</b>	<b>17.6</b>	<b>13.2</b>	<b>11.4</b>
% premium / (discount)	(16.0)	(26.0)	(5.6)	(19.1)	(4.6)	(15.6)	(0.6)	(3.5)	(10.5)	(16.9)

Source: CFO SIM, Thomson Reuters Eikon, \* multiples are fully diluted

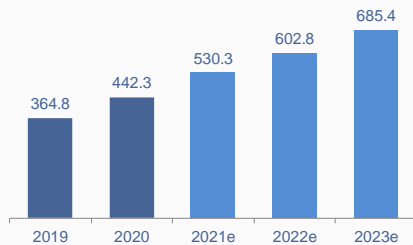




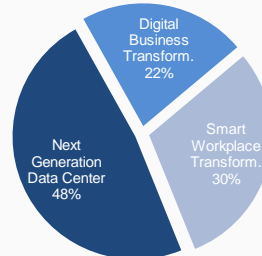


Italy - IT Services

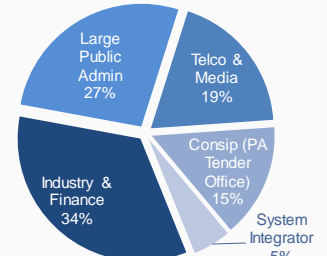
Value of Production (€m)



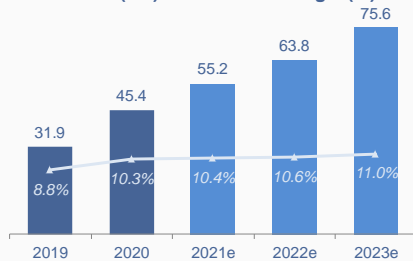
2020 top line by line of business



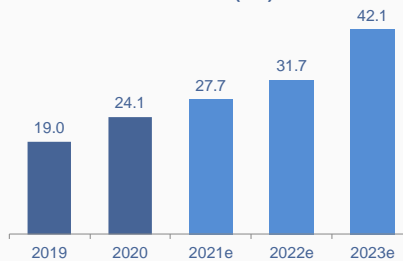
2020 top line by industry



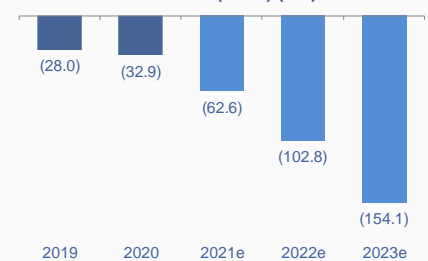
EBITDA (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

The company's 2020 results clearly proved that the segment in which DGV operates is resilient to such a difficult emergency situation. The pandemic contributed to revealing many of the technological and innovation gaps in the digitisation levels of firms and PAs. DGV, thanks to its wide array of offers developed together with the best technological partners and its exposure towards large customers (firms and PAs), is very well-positioned to benefit from the digitalisation trend. Last but not least, digitalisation is the second most important pillar of the Italian Recovery Fund (Piano Nazionale di Ripresa e Resilienza), which accounts for some € 46bn of a total of € 210bn. This should represent a game changer, a tremendous boost to the group's reference market over the next years.

Backlog currently covers approximately 80% of FY-21 top line, offering fairly good visibility, and is based on, and sustained by, long-term relationships with customers. Following the publication of FY-20 results, we have updated our projections, on the back of much higher profitability compared to our FY estimates. The result in 2021-22 is an average upgrade of 13% in EBITDA and Net Profit. We have also introduced estimates for 2023.

In this complex scenario, DGV represents a cheap, growing, cash-flow generative, safe, resilient player with upside potential arising from the active leading role it can play in this unavoidably consolidating arena. On the back of its extremely solid balance-sheet and massive cash flow generation capability, the magnitude of a possible move might be considerable. Our estimates do not take into account any external growth opportunity.

Latest IR Press Releases

- April 30<sup>th</sup>, 2021 General Shareholders' Meeting ([link](#))
- April 19<sup>th</sup>, 2021 DV Holding submits the proposal for the appointment of the BoD and the Board of Auditors of Digital Value SpA ([link](#))
- April 12<sup>th</sup>, 2021 Digital Value announces a major new addition to its Technology division ([link](#))

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
09/04/2021	€ 68.00	BUY	FY-20 results	<a href="#">link</a>
10/08/2020	€ 38.40	BUY	H1-20 results	<a href="#">link</a>
01/04/2020	€ 27.70	BUY	FY-19 results	<a href="#">link</a>
25/09/2019	€ 21.20	BUY	H1-19 results	<a href="#">link</a>

Peer Group Absolute Performance

%	1M	3M	12M
Accenture PLC	4.2%	19.9%	56.6%
Alten SA	2.1%	19.5%	58.4%
Atos SE	-2.8%	-10.8%	-13.0%
Aubay SA	-0.4%	13.8%	75.9%
Bechtle AG	3.9%	-3.3%	28.1%
Capgemini SE	3.0%	27.5%	77.7%
CDW Corp	5.2%	35.4%	60.9%
Computacenter PLC	9.9%	13.9%	83.9%
Devoteam SA	4.0%	12.2%	57.8%
Econocom Group SE	-1.9%	30.6%	89.4%
Indra Sistemas SA	15.5%	19.2%	10.2%
Repl SpA	1.0%	12.0%	77.3%
Sesa SpA	8.9%	19.1%	137.7%
Sopra Steria Group SA	8.0%	13.1%	43.2%
TietoEVRY Corp	7.7%	6.1%	29.5%

Source: Thomson Reuters Eikon

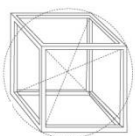
Financial Calendar

- February 11<sup>th</sup>, 2021 Board of Directors (Preliminary FY-20 Results)
- March 30<sup>th</sup>, 2021 Board of Directors (FY-20 Results)
- April 30<sup>th</sup>, 2021 Annual General Meeting (FY-20 Results)
- August 4<sup>th</sup>, 2021 Board of Directors (H1-21 Results)

Investor Relations Contacts

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Italy - Marketing Technology

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 6.00</b>
<b>Upside/(downside) %</b>	<b>45%</b>
<b>Last Price €</b>	<b>4.15</b>
<b>Market Cap. €m</b>	<b>62.1</b>
<b>1Y High €</b>	<b>5.74</b>
<b>1Y Low €</b>	<b>4.04</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>8,009</b>
<b>Free Float</b>	<b>37%</b>
<b>RIC</b>	<b>GROW.MI</b>
<b>BBG</b>	<b>GROW IM</b>



Founded in Cremona (Italy) in 2002 as an email service provider, Growens is now a leading international scale-up in the European Cloud Marketing Technologies market, one of the fastest growing industries worldwide. The group is a vertically integrated player focusing on messaging and data-driven/multi-channel marketing automation, providing over 23,000 clients in 115 countries with a wide range of solutions. Growens develops and sells 1) technologies for the mass sending of emails and mobile messages, 2) sophisticated email and newsletter editing tools, 3) innovative technological solutions for predictive marketing and 4) professional consulting services.

The group operates five synergic business units, corresponding to five different companies: MailUp, Agile Telecom, BEE, Datatrics and Acumbamail. The group achieved a significant growth path since its establishment: born as a start-up in 2002, Growens closed FY-20 with revenues of € 65.2m, EBITDA of € 5.1m and over 240 employees. Since the IPO in 2014 the group's revenues increased by a CAGR13-20 of 37.0%, thanks to organic growth boosted by a few acquisitions.

**STRENGTHS**

- Leading European player in cloud marketing technologies
- Vertically integrated MarTech actor: from data collection to omni-channel activation
- Datatrics extends the traditional marketing automation with Artificial Intelligence
- R&D investments historically exceeds 10% of revenues every year

**WEAKNESSES**

- Turnover depends highly from SMS, typically non-recurring
- Higher price pressure and lower margins in SMS business compared to email
- Few key relevant people represent a vital asset for the company
- Sizable goodwill (€ 16.5m, 1/3 of total assets)

€ m	2019	2020	2021e	2022e	2023e
Total revenues	60.8	65.2	74.8	84.2	93.7
EBITDA	4.8	5.1	5.4	7.5	9.3
EBIT	1.8	1.4	1.8	4.0	5.8
Net Profit	1.2	0.6	1.1	2.5	3.6
Net Profit Adjusted	1.2	0.6	1.1	2.5	3.6
Capex	3.1	3.0	3.0	3.0	3.0
Net Debt (Cash)	(2.4)	(2.5)	(4.2)	(7.7)	(12.0)
EPS reported (€/share)	0.07	0.03	0.06	0.14	0.21
CPS (€/share)	0.34	0.29	0.27	0.37	0.42
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	7.9%	7.8%	7.3%	8.9%	9.9%
EBIT margin	3.0%	2.1%	2.4%	4.7%	6.2%
Dividend yield	-	-	-	-	-
Op NWC/Sales	-2.8%	-2.3%	-0.8%	-0.5%	-0.3%
ROCE	7.0%	5.0%	6.2%	12.3%	16.0%

Source: Company data, CFO SIM Estimates, Rating and Price Target updated as of 30<sup>th</sup> March 2021

% YoY	2019	2020	2021e	2022e	2023e
Total revenues	51.2%	7.3%	14.7%	12.6%	11.3%
EBITDA	27.2%	6.1%	6.8%	38.4%	23.2%
EBIT	-2.5%	-25.4%	31.2%	n.m.	45.7%
Net Profit	-8.4%	-50.9%	93.6%	n.m.	46.5%
Capex	-6.4%	-1.3%	-1.4%	0.0%	0.0%
Debt	63.0%	-6.8%	-66.4%	-83.8%	-56.4%

Source: Company data, CFO SIM

Outstanding shares	%	# m
Founders	52.2%	7.81
Prontii Gianluca	6.1%	0.91
BMC Holding B.V. *	3.9%	0.58
Treasury shares	1.0%	0.15
Free Float	36.8%	5.51
<b>Total</b>	<b>100.0%</b>	<b>14.97</b>

Source: Company data \* subject to lock-up (does not enter the free float)

Price performance	1M	3M	12M
Growens	-4.2%	-8.2%	-5.5%
Rel.to FTSE AIM	-9.7%	-30.0%	-41.1%
Rel.to Sector	-10.4%	-18.9%	-64.0%

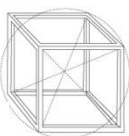
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
dotDigital Grou	651	33.1%	14.9%	n.m.
Kaleyra	363	5.5%	29.9%	2.5
Sinch AB	8,645	11.3%	42.9%	n.m.
Vonage Hold.	2,834	14.5%	12.2%	2.0
HubSpot	20,628	12.3%	27.5%	n.m.
Neosperience	44	25.0%	26.4%	n.m.
SharpSpring	176	n.m.	n.a.	n.m.
<b>Growens</b>	<b>62</b>	<b>7.3%</b>	<b>12.8%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon

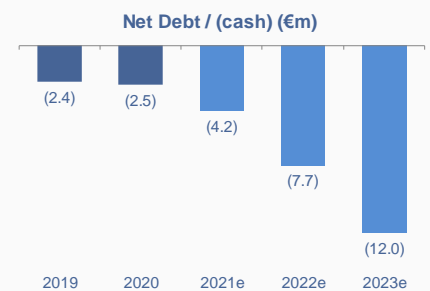
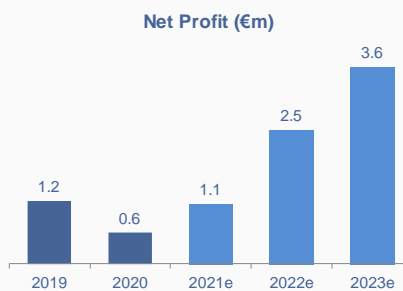
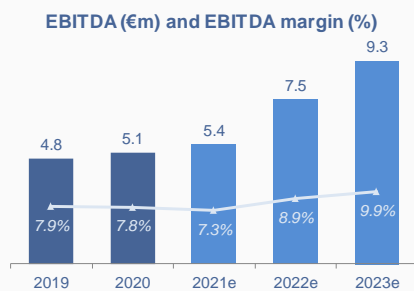
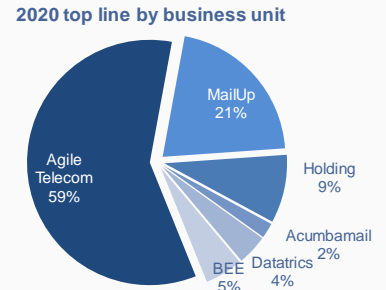
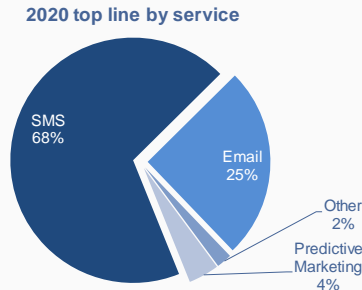
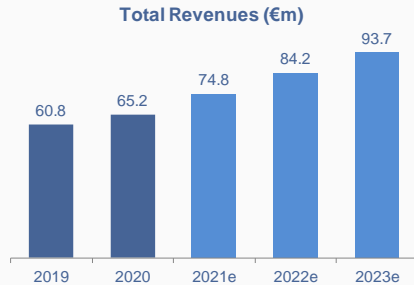
Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
<b>dotDigital Group PLC (Email Marketing)</b>	<b>9.46</b>	<b>8.45</b>	<b>28.5</b>	<b>25.8</b>	<b>41.9</b>	<b>37.6</b>	<b>50.5</b>	<b>47.1</b>	<b>33.0</b>	<b>30.6</b>
Kaleyra Inc	2.43	1.86	44.2	23.5	n.m.	233.7	n.m.	n.m.	46.7	27.3
Sinch AB (publ)	6.43	4.36	66.5	32.6	88.8	40.2	94.2	48.9	67.9	37.6
Vonage Holdings Corp	2.85	2.54	19.6	17.8	43.0	38.2	55.4	49.5	20.4	18.9
<b>Mobile Messaging median</b>	<b>2.85</b>	<b>2.54</b>	<b>44.2</b>	<b>23.5</b>	<b>65.9</b>	<b>40.2</b>	<b>74.8</b>	<b>49.2</b>	<b>46.7</b>	<b>27.3</b>
HubSpot Inc	20.49	16.09	161.2	120.6	241.2	167.5	309.9	213.6	191.8	144.8
Neosperience SpA	2.10	1.65	9.1	6.0	30.1	12.7	48.9	16.9	9.2	6.2
SharpSpring Inc	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Predictive Marketing median</b>	<b>11.29</b>	<b>8.87</b>	<b>85.2</b>	<b>63.3</b>	<b>135.6</b>	<b>90.1</b>	<b>179.4</b>	<b>115.3</b>	<b>100.5</b>	<b>75.5</b>
<b>Growens SpA</b>	<b>0.77</b>	<b>0.65</b>	<b>10.7</b>	<b>7.2</b>	<b>32.0</b>	<b>13.7</b>	<b>56.8</b>	<b>25.3</b>	<b>13.2</b>	<b>10.3</b>
% Prem./(disc.) to dotDigital PLC	(91.8)	(92.4)	(62.6)	(71.9)	(23.5)	(63.5)	12.5	(46.3)	(60.0)	(66.2)
% Prem./(disc.) to Mobile Messaging	(72.8)	(74.6)	(75.9)	(69.2)	(51.4)	(65.9)	(24.1)	(48.6)	(71.8)	(62.2)
% Prem./(disc.) to Predictive Marketing	(93.1)	(92.7)	(87.5)	(88.6)	(76.4)	(84.8)	(68.3)	(78.0)	(86.9)	(86.3)

Source: CFO SIM, Thomson Reuters Eikon





Italy - Marketing Technology



Investment Case: Reasons to Invest and Valuation

Growens reported FY-20 results broadly in line with CFO SIM projections in terms of top line and EBITDA. As we expected, Q4 (historically relevant for Growens, thanks to numerous festivities and business events such as Black Friday) was almost flat YoY as a result of the deterioration of the global crisis due to the enduring pandemic. We believe the group in 2021 will continue to strengthen its operating structure, hiring senior staff members in order to take advantage of the recovery in the demand for marketing activities in the medium-term.

Following the FY-20 results release, we have updated our model factoring in: 1) almost unchanged top line growth for 2021-22; 2) higher personnel expenses due to an increase in expected hiring by 2021 (60 new employees vs our previous estimate of 25), mainly in the MailUp, BEE and Datatrics business units and 3) an increase in D&A as a consequence of higher-than-expected D&A in 2020. We have also introduced projections for 2023.

We believe Growens is a high-quality company, with a solid, proven strategy, and led by top-notch management. The investment case includes: 1) a widespread client portfolio, 2) an large amount of recurring revenues (generally 1/3 of FY turnover) stemming from its SaaS business model, 3) a strong capital structure with solid equity coupled with excellent financial discipline and 4) huge M&A firepower.

Peer Group Absolute Performance

%	1M	3M	12M
dotDigital Group PLC	13.4%	6.4%	89.1%
Kaleyra Inc	-8.3%	7.6%	116.4%
Sinch AB (publ)	-11.4%	8.6%	162.8%
Vonage Holdings Corp	12.3%	8.6%	62.1%
HubSpot Inc	8.4%	41.4%	212.2%
Neosperience SpA	1.0%	17.8%	-11.8%
SharpSpring Inc	1.2%	-15.6%	139.5%

Source: Thomson Reuters Eikon

Latest IR Press Releases

May 3 <sup>rd</sup> , 2021	Ticker change ( <a href="#">link</a> )
April 30 <sup>th</sup> , 2021	Change of the legal name to Growens SpA ( <a href="#">link</a> )
April 22 <sup>nd</sup> , 2021	General Shareholders' Meeting ( <a href="#">link</a> )

Financial Calendar

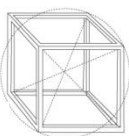
January 11 <sup>th</sup> , 2021	FY-20 consolidated gross sales
March 23 <sup>rd</sup> , 2021	Board of Directors (FY-20 Results)
April 12 <sup>th</sup> , 2021	Q1-21 consolidated gross sales
April 22 <sup>nd</sup> , 2021	Annual General Meeting (FY-20 Results)
May 11 <sup>th</sup> , 2021	Board of Directors (Q1-21 Results)
July 12 <sup>th</sup> , 2021	Q2-21 consolidated gross sales
September 14 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)
October 11 <sup>th</sup> , 2021	Q3-21 consolidated gross sales
November 9 <sup>th</sup> , 2021	Board of Directors (Q3-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
30/03/2021	€ 6.00	BUY	FY-20 results	<a href="#">link</a>
11/01/2021	€ 6.60	BUY	FY-20 revenues	<a href="#">link</a>
10/12/2020	€ 6.60	BUY	Sector news	<a href="#">link</a>
13/11/2020	€ 6.60	BUY	Q3-20 results	<a href="#">link</a>

Investor Relations Contacts

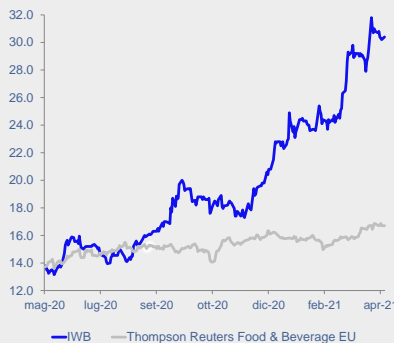
<b>Issuer</b> Growens SpA Via dell'Innovazione Digitale, 3 26100 – Cremona (CR)	<b>Investor Relations Manager</b> Micaela Cristina Capelli +39 0271040485 investor.relations@mailupgroup.com
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Italy - IT Food and Beverage

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 41.40</b>
<b>Upside/(downside) %</b>	<b>37%</b>
<b>Last Price €</b>	<b>30.20</b>
<b>Market Cap. €m</b>	<b>223.5</b>
<b>1Y High €</b>	<b>32.40</b>
<b>1Y Low €</b>	<b>13.00</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>14,926</b>
<b>Free Float</b>	<b>79%</b>
<b>RIC</b>	<b>ITWB.MI</b>
<b>BBG</b>	<b>IWB MI</b>



ITALIAN WINE BRANDS

IWB (Italian Wine Brands) is the holding company of a leading producer and distributor in the Italian wine industry. The Group operates through two channels: Distance Selling and Wholesale. Distance Selling's activity deals with the production and distribution of wine through distance selling channels such as mailing, telesales or internet, addressed to end consumers in Italy, the UK, Germany, Switzerland, Holland, Austria, France and the USA. The Distance Selling division boasts a catalogue of over 140 different wines and spumanti and 130 traditional Italian food products. Since the Distance Selling arm does not own any vineyards, it procures raw materials (grapes, must and bulk wine) from Italian vineyards and wine producers, which it works in its own two proprietary wineries. Wholesale is focused on sale and distribution in the international markets to mass retailers where it distributes both privately labelled and branded products. The Wholesale arm outsources both the bottling and the logistic activity in order to make its supply operations faster, leaner and more efficient.

**STRENGTHS**

- Lean structured and well-proven logistic platform
- B2C huge clients database
- Amongst the highest quality/price ratio in the market
- Skilled and motivated top management

**WEAKNESSES**

- Mature arena, poor market growth rates
- B2B segment: relevant customers' bargaining power

€ m	2019	2020	2021e	2022e	2023e
Net Sales	157.5	204.3	216.7	226.8	236.5
EBITDA Adjusted	18.1	25.6	27.9	29.5	30.9
EBITDA	16.3	23.6	27.9	29.5	30.9
EBIT Adjusted	13.5	20.2	22.7	24.3	25.9
EBIT	11.7	18.2	22.7	24.3	25.9
Net Profit Adjusted	7.9	14.2	16.5	17.1	18.3
Net Profit	9.2	15.6	16.5	17.1	18.3
Capex	2.8	16.4	4.1	2.2	2.2
Net Debt (Cash)	10.7	10.3	(3.2)	(18.4)	(34.6)
EPS Reported FD (€/share)	1.07	1.92	2.22	2.30	2.47
EPS Adjusted FD (€/share)	1.24	2.11	2.22	2.30	2.47
CPS FD (€/share)	1.44	2.14	3.03	3.04	3.19
DPS (€/share)	0.50	0.25	0.69	0.72	0.77
EBITDA margin	10.4%	11.6%	12.9%	13.0%	13.1%
EBIT margin	7.4%	8.9%	10.5%	10.7%	11.0%
Dividend yield	1.7%	0.8%	2.3%	2.4%	2.5%
Net margin	5.8%	7.7%	7.6%	7.5%	7.7%
Op NWC/Sales	-1.1%	-0.4%	-0.5%	-0.5%	-0.5%
ROCE	8.1%	11.5%	13.3%	13.4%	13.4%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 22<sup>nd</sup> March 2021

% YoY	2019	2020	2021e	2022e	2023e
Net Sales	5.1%	29.7%	6.0%	4.7%	4.3%
EBITDA	21.5%	44.8%	18.3%	5.5%	5.0%
EBIT	18.7%	55.4%	24.7%	7.0%	6.7%
Net Profit	24.4%	79.7%	16.0%	3.6%	7.4%
Net Profit adj.	26.9%	70.2%	5.3%	3.6%	7.4%
Capex	-30.6%	n.m.	-75.1%	-46.2%	0.0%
Debt	n.m.	-3.3%	n.m.	n.m.	87.5%

Source: Company data, CFO SIM

Outstanding shares	%	# m
Provinco	9.1%	0.67
IPOC	8.7%	0.64
Raphael Dal Bo	2.8%	0.21
Treasury Shares	0.5%	0.04
<b>Free Float, o/w</b>	<b>78.8%</b>	<b>5.84</b>
Otus Capital Management	10.2%	0.76
Praude Asset Management	6.3%	0.47
<b>Total</b>	<b>100.0%</b>	<b>7.40</b>

Source: Company data

Price performance	1M	3M	12M
Italian Wine Brands	3.4%	27.4%	116.5%
Rel.to FTSE AIM	-2.1%	5.6%	80.9%
Rel.to Sector	-2.0%	20.0%	98.1%

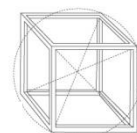
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>2019-2023</sub>	NFP/EBITDA FY1
Baron de Ley	478	n.a.	n.a.	n.a.
Concha y Toro	1,086	19.1%	5.0%	2.3
Lanson BCC SA	177	9.2%	2.2%	24.6
Laurent Perrier	504	19.0%	-1.2%	7.3
Masi Agricola	108	15.0%	n.a.	n.a.
Schloss Wach.	132	10.4%	2.1%	n.a.
Treasury Wine	4,611	25.5%	-0.2%	1.8
Pommery	165	11.3%	3.6%	26.2
Hawesko	451	10.5%	1.5%	1.9
Naked Wines	708	-0.8%	26.0%	19.1
<b>IWB</b>	<b>224</b>	<b>12.9%</b>	<b>5.0%</b>	<b>n.m.</b>

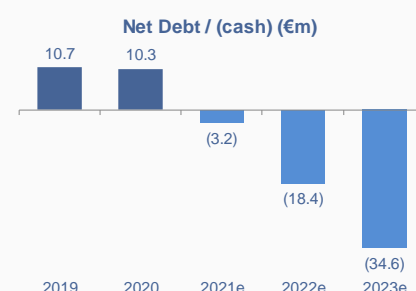
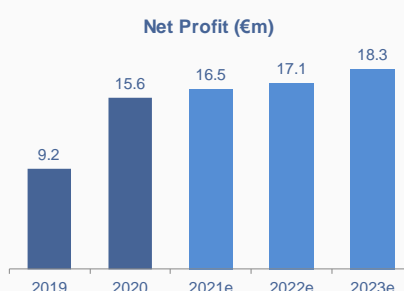
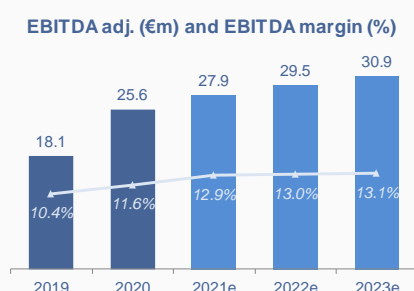
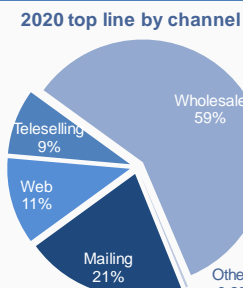
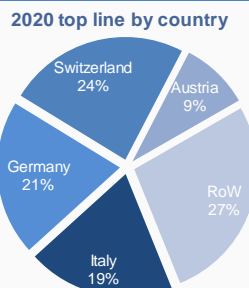
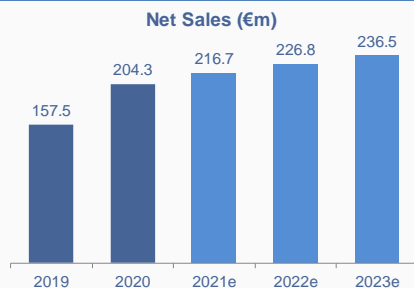
Source: Thomson Reuters Eikon

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Baron de Ley SA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Concha y Toro Winery Inc	1.57	1.49	8.4	7.8	10.2	9.5	11.7	11.2	9.0	8.5
Lanson BCC SA	3.07	2.83	32.7	28.3	45.8	38.7	22.1	17.7	12.4	10.6
Laurent Perrier SA	4.05	3.73	21.8	19.3	26.5	22.9	37.4	28.7	25.2	20.8
Masi Agricola SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	35.9	25.0	15.2	12.7
Schloss Wachenheim AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13.2	12.6	5.4	5.4
Treasury Wine Estates Ltd	3.33	3.44	13.0	12.3	17.1	16.3	25.1	22.9	16.3	15.1
Vranken Pommery Monopole SA	3.36	3.08	26.3	23.6	45.2	37.2	82.5	31.1	10.5	8.9
<b>Wine producers median</b>	<b>3.33</b>	<b>3.08</b>	<b>21.8</b>	<b>19.3</b>	<b>26.5</b>	<b>22.9</b>	<b>25.1</b>	<b>22.9</b>	<b>12.4</b>	<b>10.6</b>
Hawesko Holding AG	0.88	0.82	8.6	8.2	13.4	12.8	18.2	17.6	9.5	9.2
Naked Wines PLC	1.68	1.58	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Wine distributors median</b>	<b>1.28</b>	<b>1.20</b>	<b>8.6</b>	<b>8.2</b>	<b>13.4</b>	<b>12.8</b>	<b>18.2</b>	<b>17.6</b>	<b>9.5</b>	<b>9.2</b>
<b>Italian Wine Brands SpA</b>	<b>1.02</b>	<b>0.90</b>	<b>7.9</b>	<b>7.0</b>	<b>9.7</b>	<b>8.4</b>	<b>13.6</b>	<b>13.1</b>	<b>10.3</b>	<b>10.1</b>
% premium / (discount) to wine producers	(69.4)	(70.7)	(63.8)	(63.9)	(63.4)	(63.2)	(46.0)	(42.8)	(16.7)	(5.0)
% premium / (discount) to wine distributors	(20.4)	(24.8)	(8.4)	(14.9)	(27.4)	(33.9)	(25.2)	(25.6)	8.5	9.5

Source: CFO SIM, Thomson Reuters Eikon



Italy - IT Food and Beverage



Investment Case: Reasons to Invest and Valuation

The tremendous performance achieved in 2020, abnormally high compared to historical figures, was undoubtedly due to the successful strategy implemented by the group in the last years: 1) strengthening of own-brand wine sales (over 90% of total group's sales); 2) proactive go-to-market in the wholesale division, acquisition of new accounts in each country where the group operates on a yearly basis; 3) understanding of the voice of customers, building an attractive commercial offering recognised by the market; 4) reshuffling of the distance selling channel, focusing on e-commerce instead of the traditional teleselling. Furthermore, the COVID-19 pandemic hit dramatically the out-of-home consumption to the benefit of home consumption. As IWB is not present in the horeca segment, the group's numbers were also boosted by this change in habits, allowing it to significantly outperform the wine market as a whole.

Following the publication of 2020 results, we have updated our model to factor in a slight increase in top line growth as a consequence of the excellent 2020 performance both in wholesale and distance selling. Wine consumption via retail chains and distance selling is to a certain extent anti-cyclical and recession-resistant. Also, IWB is a dividend-paying stock with a strong balance sheet and healthy cash flow generation. Furthermore, an M&A deal seems imminent as the dividend distribution has been halved compared both to our estimate and the FY-19 dividend. Potential targets are companies recognised by the market, with excellent fundamentals, operating in the production and distribution of Italian wine across the world.

Peer Group Absolute Performance

%	1M	3M	12M
Baron de Ley SA	-1.7%	4.5%	15.8%
Lanson BCC SA	1.6%	25.4%	12.3%
Laurent Perrier SA	5.8%	13.2%	9.1%
Masi Agricola SpA	5.1%	26.7%	38.3%
Schloss Wachenheim AG	4.4%	10.6%	32.5%
Treasury Wine Estates Ltd	-4.0%	0.9%	5.3%
Concha y Toro Winery Inc	0.7%	5.6%	-3.2%
Vranken Pommery Monopole SA	4.6%	31.2%	26.6%
Hawesko Holding AG	9.2%	11.2%	56.1%
Naked Wines PLC	11.2%	17.4%	130.4%

Source: Thomson Reuters Eikon

Latest IR Press Releases

April 26 <sup>th</sup> , 2021	The Central Bank of Ireland approves the prospectus for the bond loan approved by the BoD on 14 April 2021 ( <a href="#">link</a> )
April 22 <sup>nd</sup> , 2021	IWB – Shareholders' meeting resolutions ( <a href="#">link</a> )
April 14 <sup>th</sup> , 2021	IWB resolves to issue a senior, unsubordinated, non convertible, unsecured bond of up to € 130m ( <a href="#">link</a> )

Financial Calendar

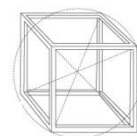
March 17 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 22 <sup>nd</sup> , 2021	Annual General Meeting (FY-20 Results)
September 15 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
22/03/2021	€ 41.50	BUY	FY-20 results	<a href="#">link</a>
22/01/2021	€ 30.00	BUY	FY-20 revenues	<a href="#">link</a>
04/12/2020	€ 25.00	BUY	Sector News	<a href="#">link</a>
18/09/2020	€ 25.00	BUY	H1-20 results	<a href="#">link</a>

Investor Relations Contacts

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Italy - Nutraceutical

Rating **NEUTRAL**

Price Target **€ 9.50**

Upside/(downside) % **-5%**

Last Price € **10.00**

Market Cap. €m **184.8**

1Y High € **11.40**

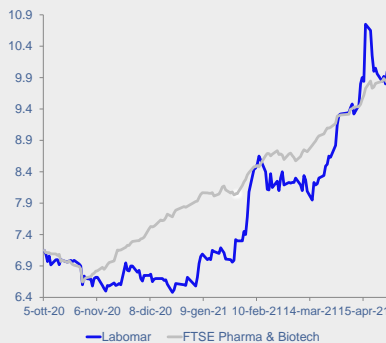
1Y Low € **6.38**

3M Avg Daily Turnover (n. shares) **13,119**

Free Float **18%**

RIC **LBM.MI**

BBG **LBM MI**



**LABOMAR**

Originating in 1998 from a family pharmacy owned by Mr Bertin, today Labomar is a research-driven full service B2B Contract Development and Manufacturing Organisation (CDMO). It operates in the dietary supplements and medical devices market and provides global big pharma firms with high-grade value-added technological content dietary supplements and medical devices. Labomar aims at being the reference partner for customers looking for innovative and effective products, able to improve people's wellness. Today Labomar operates three specialised manufacturing plants and one R&D facility in Istrana (TV), located in hard-working, creative north eastern Italy, as well as a manufacturing plant in Canada stemming from the ImportFab acquisition. The company reported 12.9% organic sales CAGR<sub>14-20</sub> (17.3% including M&A) mainly as a result of continuous product innovation and the consequent increased share of wallet with pharma corporations.

**STRENGTHS**

- Well-structured R&D team managing over 800 projects per year
- Wide product portfolio with several ready-to-market solutions
- Tailor-made solutions across several therapeutic areas based on proprietary technologies
- Unique salesforce able to proactively understand the client's needs

**WEAKNESSES**

- Limited M&A track record
- Clients ask for specific products that Labomar is not able to provide yet

€ m	2019	2020	2021e	2022e	2023e
Value of production	49.1	61.5	69.2	77.3	84.3
EBITDA	9.1	11.3	14.6	16.2	18.1
EBITDA Adjusted	9.7	12.3	14.1	16.2	18.1
EBIT	5.8	7.3	10.0	10.7	11.8
EBIT Adjusted	6.4	8.2	9.5	10.7	11.8
Net Profit	4.1	6.1	7.3	7.9	8.7
Net Profit Adjusted	4.6	6.1	6.9	7.9	8.7
Capex	23.6	6.0	6.5	8.5	8.5
Net Debt (Cash)	28.7	3.4	1.5	(0.9)	(4.2)
EPS Reported FD (€/share)	0.22	0.33	0.40	0.43	0.47
EPS Adjusted FD (€/share)	0.25	0.33	0.38	0.43	0.47
CPS FD (€/share)	-	0.46	0.56	0.71	0.77
DPS (€/share)	-	0.11	0.12	0.13	0.14
EBITDA adj. margin	19.7%	20.0%	20.4%	21.0%	21.5%
EBIT adj. margin	13.0%	13.4%	13.7%	13.9%	14.0%
Dividend yield	-	1.1%	1.2%	1.3%	1.4%
Net margin	8.4%	9.9%	10.6%	10.2%	10.4%
Op NWC/Sales	14.0%	10.2%	11.5%	11.5%	11.6%
ROCE	12.4%	9.4%	12.1%	12.1%	12.4%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 9<sup>th</sup> April 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of production	11.3%	25.1%	12.6%	11.7%	9.0%
EBITDA Adjusted	7.5%	27.1%	15.0%	14.8%	11.7%
EBIT Adjusted	4.0%	28.9%	15.1%	13.1%	10.3%
Net Profit Adjusted	5.1%	33.6%	13.7%	13.4%	10.7%
Capex	n.m.	n.m.	8.0%	30.8%	0.0%
Debt	n.m.	-88.3%	-55.7%	n.m.	n.m.

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Biosearch SA	4.10	3.57	26.6	19.6	41.8	27.8	53.1	35.2	30.7	23.1
Catalent Inc	5.44	4.87	21.4	18.7	27.7	24.1	37.3	32.1	26.0	22.6
Clover Corporation Ltd	4.75	3.65	28.3	18.5	30.1	19.4	41.9	28.2	38.5	26.5
Fine Foods & Pharmaceuticals NTM SpA	1.07	0.91	7.6	6.1	14.3	10.8	22.1	17.6	10.2	8.7
Jubilant Pharmova Ltd	1.84	1.99	8.4	7.6	11.1	9.2	15.6	14.2	10.2	10.4
Lonza Group AG	8.64	7.62	28.4	24.3	37.9	32.1	43.6	37.7	31.0	27.0
Probi AB	7.38	6.59	24.7	21.9	35.7	30.4	49.2	42.9	n.m.	n.m.
Siegfried Holding AG	3.88	3.50	20.9	18.0	31.1	26.0	34.8	29.2	21.7	18.9
<b>Median CDMO</b>	<b>4.42</b>	<b>3.61</b>	<b>23.1</b>	<b>18.6</b>	<b>30.6</b>	<b>25.0</b>	<b>39.6</b>	<b>30.7</b>	<b>26.0</b>	<b>22.6</b>
Biesse SpA	0.96	0.86	10.0	7.6	21.1	13.3	40.2	24.1	13.5	10.9
Eurotech SpA	2.10	1.56	15.5	8.5	24.8	10.9	35.3	11.7	19.8	9.3
Freni Brembo SpA	1.53	1.41	8.2	7.4	15.0	12.7	19.2	16.3	9.0	8.2
Guala Closures SpA	1.55	1.44	8.3	7.6	17.0	14.8	31.0	24.3	7.1	6.6
Interpump Group SpA	3.54	3.26	15.4	14.0	20.5	18.4	27.2	24.7	18.8	17.2
Lu-Ve SpA	1.03	0.93	8.6	7.3	17.9	13.9	18.3	14.1	7.5	6.5
Prima Industrie SpA	0.81	0.67	8.9	6.2	19.6	13.0	30.7	13.5	8.4	5.3
<b>Median Domestic B2B</b>	<b>1.53</b>	<b>1.41</b>	<b>8.9</b>	<b>7.6</b>	<b>19.6</b>	<b>13.3</b>	<b>30.7</b>	<b>16.3</b>	<b>9.0</b>	<b>8.2</b>
<b>Labomar SpA</b>	<b>2.69</b>	<b>2.38</b>	<b>13.2</b>	<b>11.3</b>	<b>19.6</b>	<b>17.1</b>	<b>26.6</b>	<b>23.5</b>	<b>15.9</b>	<b>13.8</b>
% premium / (discount) to CDMO	(39.1)	(34.0)	(42.9)	(39.1)	(35.8)	(31.5)	(32.8)	(23.5)	(38.8)	(38.9)
% premium / (discount) to Domestic B2B	76.4	68.9	48.1	48.8	0.0	29.1	(13.4)	43.6	78.0	68.5

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
LBM Holding Srl	71.1%	13.15
Master Lab	6.3%	1.17
Value First	2.7%	0.50
Others	1.9%	0.35
Free Float	17.9%	3.32
<b>Total</b>	<b>100.0%</b>	<b>18.48</b>

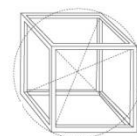
Source: Company data

Price performance	1M	3M	12M
Labomar	7.3%	37.0%	-
Rel.to FTSE AIM	1.8%	15.1%	-
Rel.to CDMO peers	-0.3%	20.6%	-

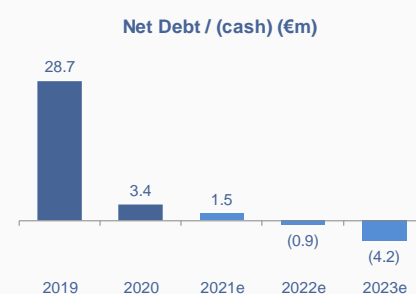
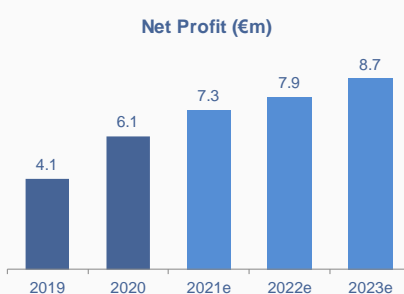
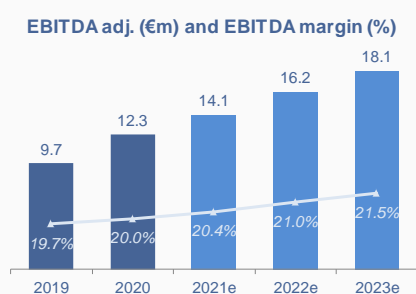
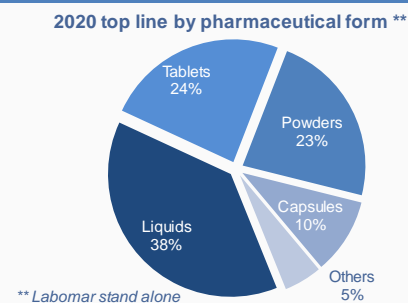
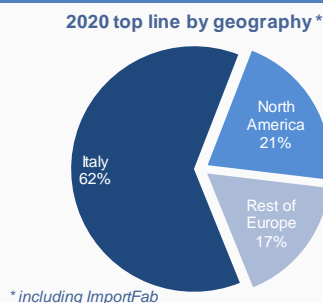
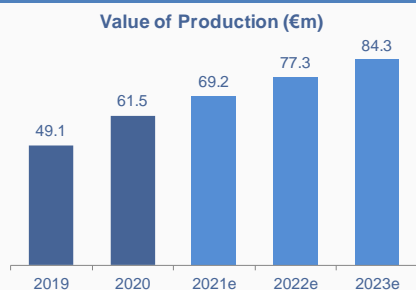
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>2015-23</sub>	NFP/EBITDA FY1
Biosearch	125	15.4%	n.a.	0.3
Catalent	15,931	25.2%	12.9%	2.0
Clover Corp.	197	16.8%	3.3%	0.3
Fine Foods	265	14.1%	16.7%	n.m.
Jubilant Pharm.	1,427	21.8%	5.1%	1.3
Lonza Group	39,622	30.4%	11.6%	1.6
Probi	571	29.0%	6.4%	n.m.
Siegfried Hold.	3,381	18.6%	11.8%	2.2
<b>Labomar</b>	<b>185</b>	<b>20.4%</b>	<b>11.1%</b>	<b>0.1</b>

Source: Thomson Reuters Eikon





**Italy - Nutraceutical**

**Investment Case: Reasons to Invest and Valuation**

In 2020, Labomar reported a sharp increase both in top-line and margins thanks to double-digit organic growth as well as to the 12-month consolidation of ImportFab. In H2-20 as well as in the first months of 2021, a temporary slowdown in the demand for drugs and medical devices for the care of respiratory systems was evident. Social distancing and the use of face masks almost completely zeroed seasonal diseases, such as cough and cold. Nevertheless, the company saw an increase in the demand for products of other therapeutic areas (e.g. gastrointestinal, nervous, etc.). In addition, Labomar extended its catalogue of ready-to-market products to 120 SKUs to better intercept all the heterogeneous needs of its existing and potential clients.

Furthermore, the subsidiary Herbae will become operational in the next months with the new name of Labomar Next, starting the production of cannabis for pharmaceutical use. Nevertheless, it is worth mentioning that no opportunities stemming from the cannabis business are included in our estimates.

During the conference call commenting the FY-20 results, the company said that at least one M&A deal could be closed by the end of the year, leaving room for further upside potential. Ideal targets are 1) European companies with a significant international presence in order to have direct access to new geographical markets or 2) firms owning innovative patents and technological platforms able to improve and enlarge Labomar's product portfolio.

**Peer Group Absolute Performance**

%	1M	3M	12M
Bioresearch SA	0.0%	62.5%	83.6%
Catalent Inc	5.6%	-2.2%	62.6%
Clover Corporation Ltd	1.4%	24.7%	-9.6%
Fine Foods & Pharmaceuticals SpA	10.1%	24.2%	22.4%
Jubilant Pharmova Ltd	12.0%	3.2%	129.9%
Lonza Group AG	8.4%	1.9%	37.8%
Probi AB	10.3%	8.6%	106.3%
Siegfried Holding AG	6.9%	30.2%	91.6%

Source: Thomson Reuters Eikon

**Latest IR Press Releases**

April 28 <sup>th</sup> , 2021	Annual General Meeting ( <a href="#">link</a> )
April 19 <sup>th</sup> , 2021	Labomar at the "Mid & Small in London 2021" Virtual Conferences. The company will present the Impact Report to investors ( <a href="#">link</a> )
March 29 <sup>th</sup> , 2021	Full Year 2020 and convocation of the Shareholders' Meeting ( <a href="#">link</a> )

**Financial Calendar**

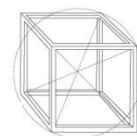
March 29 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 28 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 27 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

**Latest Equity Research published**

Date	PT €/s	Rating	Type of report	Download
09/04/2021	€ 9.50	NEUTRAL	FY-20 results	<a href="#">link</a>
05/02/2021	€ 8.50	BUY	FY-20 revenues	<a href="#">link</a>
23/11/2020	€ 8.50	BUY	Initiation of Coverage	<a href="#">link</a>

**Investor Relations Contacts**

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Italy - Fashion

Rating **NEUTRAL**

Price Target **€ 2.50**

Upside/(downside) % **-40%**

Last Price € **4.17**

Market Cap. €m **21.8**

1Y High € **6.20**

1Y Low € **2.16**

3M Avg Daily Turnover (n. shares) **10,668**

Free Float **25%**

RIC **MONNA.MI**

BBG **MNL IM**



**MONNALISA®**

Founded in 1968 by Piero Iaconomi and Barbara Bertocci in the fashion and creative centre of Italy, Monnalisa is specialised in high-end childrenswear (0-16 years) through its own proprietary brands. The philosophy of Monnalisa is the creation of a lifestyle identity, offering a complete range of products from apparel to footwear, from accessories to cosmetics and furniture. At the end of 2019, Monnalisa acted worldwide in more than 60 countries through 48 direct stores and almost 700 multibrand stores. The company sells via three distribution channels:

- Wholesale, 65% of top line in FY-19. Monnalisa conducts a strict selection of stores considering location, visibility and coherence of the store with the Monnalisa brand identity. This includes Wholesale retail, namely monobrand stores in partnership (Third Party Operated Stores – TPOS) and located in top department stores (Third Party Shop In Shop – TSPS).

- Retail, 32% of top line. Monnalisa sells directly to the final customer through its directly owned stores: Directly Operated Stores (DOS) and Directly Operated Outlets (DOO), totalling 48 stores at end-19.

- E-commerce, 3% of top line. Monnalisa sells its products online through its own monobrand online boutique. Direct e-commerce accounts for 3% of total sales.

**STRENGTHS**

- Among the few companies which is specialized on childrenswear high-end niche
- Complete strategic autonomy thanks to the use of proprietary brands only
- Operates in the high-end segment being the one with the best entry price vs. competitors

**WEAKNESSES**

- Limited size in the international competitive arena
- Decisions are concentrated among few key figures
- Growth strategy is based on increasing the retail distribution (no experience in the past)

€ m	2018	2019	2020e	2021e	2022e
Sales	49.1	47.9	34.5	40.7	46.7
Value of production	52.7	50.1	33.5	41.0	47.0
EBITDA	5.1	(2.9)	(8.5)	(2.1)	2.0
EBITDA Adjusted	7.3	0.3	(3.3)	(1.8)	2.0
EBIT	2.1	(7.5)	(11.7)	(5.2)	(1.2)
EBIT Adjusted	4.1	(2.9)	(6.5)	(5.0)	(1.2)
Net Profit	1.3	(8.4)	(9.8)	(4.6)	(1.3)
Capex	8.8	3.7	1.8	1.1	0.5
Net Debt (Cash)	(2.3)	3.4	10.9	13.0	11.9
EPS reported (€/share)	0.25	(1.61)	(1.86)	(0.87)	(0.25)
CPS (€/share)	0.26	(0.51)	(0.89)	(0.27)	0.23
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	9.8%	-5.9%	-25.3%	-5.1%	4.2%
EBIT margin	3.9%	-14.9%	-34.9%	-12.8%	-2.5%
EBITDA adj. margin	13.8%	0.5%	-9.7%	-4.4%	4.2%
EBIT adj. margin	7.8%	-5.8%	-19.4%	-12.1%	-2.5%
Dividend yield	-	-	-	-	-
NWC/Sales	40.4%	40.3%	57.3%	47.2%	42.8%
ROCE	3.2%	n.m.	n.m.	n.m.	n.m.

Source: Company data, CFO SIM Estimates, Rating and Price Target updated as of 30<sup>th</sup> October 2020

% YoY	2018	2019	2020e	2021e	2022e
Value of production	2.6%	-5.0%	-33.2%	22.4%	14.7%
EBITDA	-10.5%	n.m.	n.m.	75.5%	n.m.
EBIT	-40.9%	n.m.	-56.2%	55.2%	77.1%
Net Profit	-42.5%	n.m.	-16.1%	53.3%	70.9%
Capex	n.m.	-57.6%	-50.3%	-40.5%	-54.5%
Debt	n.m.	n.m.	n.m.	19.1%	-8.2%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Brunello Cucinelli SpA	5.03	4.57	18.9	16.2	52.0	36.9	98.7	62.0	21.0	18.3
Burberry Group PLC	3.24	2.82	13.7	11.0	20.4	16.8	33.6	25.0	19.6	14.8
Capri Holdings Ltd	2.58	1.89	20.0	10.1	33.5	13.2	36.9	15.0	19.5	10.8
Hugo Boss AG	1.57	1.36	8.1	6.2	28.1	15.0	40.1	19.8	7.1	5.9
Kering SA	5.33	4.89	15.0	13.4	19.6	17.1	29.0	24.6	19.9	17.4
Moncler SpA	7.12	5.94	18.2	15.0	25.1	19.9	38.6	30.9	24.7	20.9
Prada SpA	4.39	3.91	14.4	11.6	39.6	26.5	67.7	42.4	16.8	13.8
Ralph Lauren Corp	2.10	1.55	25.2	9.3	100.7	13.4	230.1	20.1	31.5	12.7
Salvatore Ferragamo SpA	2.53	2.30	13.2	10.6	72.9	30.8	282.9	62.0	16.3	13.6
Tod's SpA	2.26	2.10	14.7	11.0	n.m.	196.7	n.m.	n.m.	12.1	9.2
<b>Median</b>	<b>2.91</b>	<b>2.56</b>	<b>14.8</b>	<b>11.0</b>	<b>33.5</b>	<b>18.5</b>	<b>40.1</b>	<b>25.0</b>	<b>19.5</b>	<b>13.7</b>
<b>Monnalisa SpA</b>	<b>0.95</b>	<b>0.86</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
% premium / (discount)	(67.4)	(66.6)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Jafin Due (Iaconomi Family)	74.5%	3.90
Treasury Shares	0.3%	0.02
Free Float	25.2%	1.32
<b>Total</b>	<b>100.0%</b>	<b>5.24</b>

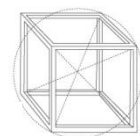
Source: Company data

Price performance	1M	3M	12M
Monnalisa	5.8%	28.7%	35.4%
Rel.to FTSE AIM	0.3%	6.8%	-0.2%
Rel.to Sector	0.4%	13.1%	-12.5%

Source: Thomson Reuters Eikon

Peers	Mkt Cap €m	EBITDA % FY1	Sales CAGR <sub>19-22</sub>	NFP/EBITDA FY1
Cucinelli	2,904	15.9%	3.4%	3.0
Burberry	9,591	20.0%	1.4%	n.m.
Capri Holdings	6,923	12.7%	-3.4%	3.4
Hugo Boss	2,724	13.3%	-4.2%	2.9
Kering	84,018	31.6%	2.5%	1.0
Moncler	14,080	35.1%	4.4%	n.m.
Prada	13,254	23.1%	0.6%	0.5
Ralph Lauren	8,110	9.2%	-3.7%	n.m.
Ferragamo	3,033	13.1%	-3.5%	n.m.
Tod's	1,306	5.8%	-3.7%	10.5
<b>Monnalisa</b>	<b>22</b>	<b>-25.3%</b>	<b>-0.9%</b>	<b>n.m.</b>

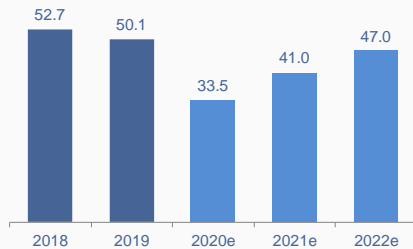
Source: Thomson Reuters Eikon



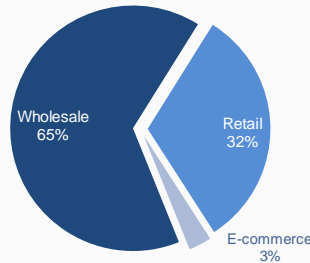


Italy - Fashion

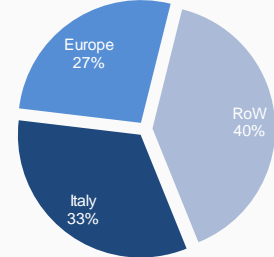
Value of Production (€m)



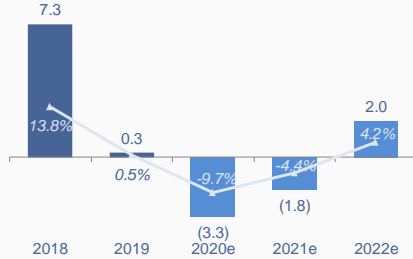
2019 top line by channel



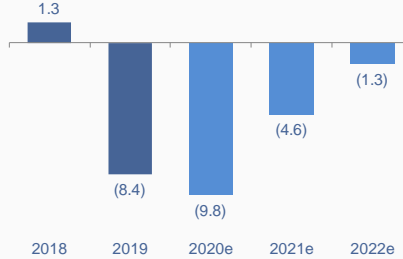
2019 top line by country



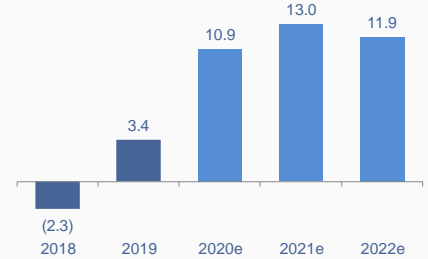
EBITDA adj. (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

Monnalisa reported H1-20 results severely impacted by COVID-19, although the first few weeks of 2020 showed a good progression in sales, driven by rising sell-out in direct stores and through wholesale channel. However, the COVID-19 outbreak has literally blocked this trend, causing the temporary closure of stores and showrooms worldwide. However, upon reopening, the situation only partially recovered: travel retail was significantly reduced and overall activities continued to be negatively impacted by the fall in consumption. This trend is impacting the sector as a whole.

We believe that in the current harsh environment Monnalisa's retail network as of today is not able to generate enough turnover to counterbalance the huge amount of fixed costs to run the stores, namely personnel and rents. A meticulous cost discipline is being put in place by the group to properly manage the P&L of every single DOS in order to focus on fewer but more profitable shops.

The business in this changed scenario should be supported by a massive sales boost, otherwise, the inability to generate profits will unavoidably continue to erode equity: at the time of the IPO it was almost € 50m, it is projected at € 30m at the end of 2020 and at € 23m at end-22. The closure plan of a few less profitable shops started in H1-20 seems to be going in the right direction.

Peer Group Absolute Performance

%	1M	3M	12M
Brunello Cucinelli SpA	12.2%	28.2%	64.4%
Burberry Group PLC	6.9%	19.9%	52.0%
Capri Holdings Ltd	11.5%	32.2%	159.6%
Hugo Boss AG	13.4%	30.5%	95.2%
Kering SA	11.2%	23.1%	28.5%
Moncler SpA	2.7%	9.5%	48.5%
Prada SpA	-2.1%	1.2%	58.8%
Ralph Lauren Corp	11.1%	31.9%	99.4%
Salvatore Ferragamo SpA	7.9%	10.9%	61.0%
Tod's SpA	38.9%	51.5%	116.5%

Source: Thomson Reuters Eikon

Latest IR Press Releases

April 30 <sup>th</sup> , 2021	FY-20 results release ( <a href="#">link</a> )
March 22 <sup>nd</sup> , 2021	Preliminary Results 2020 ( <a href="#">link</a> )
March 22 <sup>nd</sup> , 2021	Change to Financial Calendar ( <a href="#">link</a> )

Financial Calendar

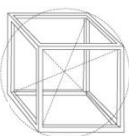
April 30 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
May 31 <sup>st</sup> , 2021	Annual General Meeting (FY-20 Results)
September 30 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
30/10/2020	€ 2.50	NEUTRAL	H1-20 results	<a href="#">link</a>
22/05/2020	€ 4.00	NEUTRAL	FY-19 results	<a href="#">link</a>
09/03/2020	U.R.	NEUTRAL	2019 prelim. results	<a href="#">link</a>
10/10/2019	€ 7.80	NEUTRAL	H1-19 results	<a href="#">link</a>

Investor Relations Contacts

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Italy - Food

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 11.50</b>
<b>Upside/(downside) %</b>	<b>46%</b>
<b>Last Price €</b>	<b>7.86</b>
<b>Market Cap. €m</b>	<b>139.0</b>
<b>1Y High €</b>	<b>8.62</b>
<b>1Y Low €</b>	<b>4.65</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>26,789</b>
<b>Free Float</b>	<b>60%</b>
<b>RIC</b>	<b>ORSO.MI</b>
<b>BBG</b>	<b>ORS IM</b>



Orsero is an international group headquartered in Albenga (Savona), operating in the fresh fruit and vegetable import and distribution business in the Mediterranean area of Europe. The group was founded over 50 years ago by the Orsero family. The current business includes the import and distribution of fresh fruit and vegetables as well as the production and export of fruit together with chilled maritime transportation. Orsero boasts a presence mainly in Italy, France, Spain, Portugal, Greece, Costa Rica and Colombia. During 2012, the group launched the "F.lli Orsero" brand for bananas and pineapples, which expresses the sense of tradition and the passion of a large Italian family company for fruit and vegetables of the highest quality. Orsero was listed on AIM Italia (Alternative Investment Market) on 13-Feb-17 as a result of the merger between Glenalta Food and Orsero. The merger was the final step in the business combination between Glenalta Food and GF Group, as regulated by the agreement signed and announced on 28th October 2016. Orsero has been trading on the STAR segment of MTA market of Borsa Italiana since 23-Dec-19.

**STRENGTHS**

- Well-established business model vertically integrated from production to distribution- logistic.
- Strong trade brand
- Vessel ownership is to a certain extent a competitive advantage with 10+Y residual life

**WEAKNESSES**

- Currently still limited F.lli Orsero brand awareness on end consumers
- Exposure to USD/EUR, in particular for the maritime transport segment
- Market share expansion may be more complicated than expected

€ m	2019	2020	2021e	2022e	2023e
Turnover	1,005.7	1,041.5	1,070.0	1,097.2	1,123.9
EBITDA Adjusted	38.7	48.4	49.0	50.4	51.7
EBIT Adjusted	13.0	22.4	23.1	25.0	26.5
EBIT	8.4	18.8	22.0	23.9	25.4
Net Profit	2.0	12.2	13.9	15.3	16.3
Net Profit adj.	5.3	15.1	14.8	16.1	17.2
Capex	50.9	42.3	10.0	10.0	10.0
Net Debt (Cash)	126.9	103.5	81.3	59.8	36.4
EPS reported FD (€/share)	0.11	0.69	0.79	0.86	0.92
EPS Adjusted FD (€/share)	0.30	0.85	0.84	0.91	0.97
CPS (€/share)	1.46	2.10	2.02	2.03	2.16
DPS (€/share)	0.08	0.20	0.25	0.27	0.29
EBITDA margin	3.8%	4.6%	4.6%	4.6%	4.6%
EBIT margin	1.3%	2.2%	2.2%	2.3%	2.4%
Dividend yield	1.0%	2.5%	3.2%	3.4%	3.7%
Op NWC/Sales	3.0%	3.6%	3.7%	3.8%	3.8%
ROCE	3.7%	6.9%	6.9%	7.3%	7.4%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 19<sup>th</sup> March 2021

% YoY	2019	2020	2021e	2022e	2023e
Turnover	5.6%	3.6%	2.7%	2.5%	2.4%
EBITDA Adjusted	17.7%	25.1%	1.2%	3.0%	2.4%
EBIT	-26.2%	n.m.	17.3%	8.4%	6.4%
Net Profit	-74.6%	n.m.	14.1%	9.4%	7.1%
Net Profit adj.	-58.4%	n.m.	-2.2%	8.9%	6.7%
Capex	n.m.	-16.8%	-76.4%	0.0%	0.0%
Debt	n.m.	-18.4%	-21.5%	-26.4%	-39.1%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Fresh Del Monte Produce Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17.8	14.1	7.8	7.0
Total Produce PLC	0.26	0.24	11.0	10.0	13.1	12.5	13.6	13.0	10.9	9.8
Greenyard NV	0.21	0.19	7.4	6.6	16.3	13.7	45.0	23.1	5.7	5.0
<b>Median</b>	<b>0.23</b>	<b>0.21</b>	<b>9.2</b>	<b>8.3</b>	<b>14.7</b>	<b>13.1</b>	<b>17.8</b>	<b>14.1</b>	<b>7.8</b>	<b>7.0</b>
<b>Orsero Spa</b>	<b>0.21</b>	<b>0.18</b>	<b>4.5</b>	<b>3.9</b>	<b>9.5</b>	<b>8.0</b>	<b>9.4</b>	<b>8.6</b>	<b>3.4</b>	<b>3.3</b>
% premium / (discount)	(11.1)	(15.6)	(51.1)	(52.5)	(35.2)	(39.4)	(47.2)	(38.8)	(56.0)	(52.0)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Orsero family	32.5%	5.75
Grupo Fernandez	6.3%	1.12
Treasury shares	0.9%	0.15
Free Float	60.3%	10.67
<b>Total</b>	<b>100.0%</b>	<b>17.68</b>

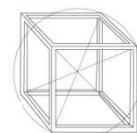
Source: Company data

Price performance	1M	3M	12M
Orsero	-6.4%	32.3%	56.0%
Rel.to FTSE STAR Italia	-9.2%	16.3%	1.7%
Rel.to EU Sector	-11.9%	24.9%	37.6%

Source: Thomson Reuters Eikon

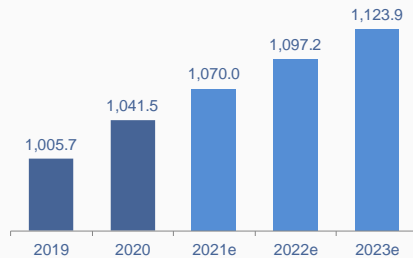
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Del Monte	1,112	4.8%	n.a.	n.a.
Total Produce	829	2.3%	n.a.	2.3
Greenyard	450	3.0%	4.9%	3.8
<b>Orsero</b>	<b>139</b>	<b>4.6%</b>	<b>2.6%</b>	<b>1.7</b>

Source: Thomson Reuters Eikon

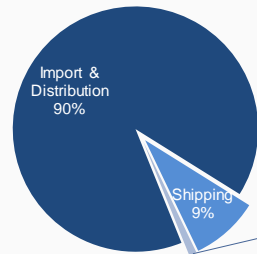


Italy - Food

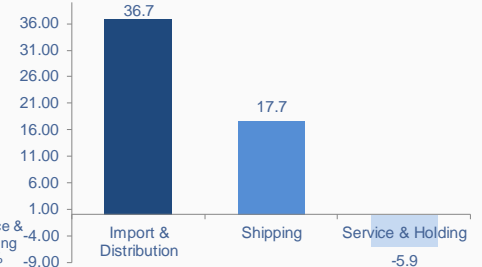
Net Sales (€m)



2020 gross turnover by business



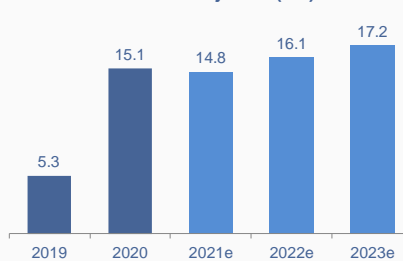
2020 EBITDA by business



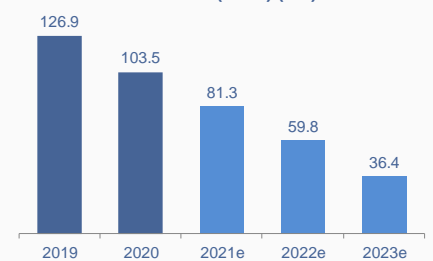
EBITDA adj. (€m) and EBITDA margin (%)



Net Profit adjusted (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

Last year's strengthening of the business model and its focus on the expansion of the distribution division as well as the consolidation and normalisation of the shipping activities are consistently bringing their tangible fruits. Orsero reported outstanding FY-20 results, better than our forecasts, consensus and company guidance at profitability level. In terms of EBITDA is almost one year in advance. In the current scenario, the company confirms 2021 guidance, released at the beginning of February, which is definitely undemanding in our view. Company guidance for 2021 entails another growing and profitable year in a difficult environment. Orsero's 2021 guidance: sales between € 1,040m and € 1,060m; EBITDA between € 47m and € 49m, 4.5-4.6% margin; Net Profit between € 13m and € 15m; NFP between € 82m and € 87m; capex between € 9m and € 10m.

Following FY-20 results release, we have updated our model factoring in the better-than-expected performance in 2020 and a moderate business growth for 2021 and beyond, mainly driven by volumes at stable prices. Our new 2021 estimates are positioned at the high-end of the company guidance range. We introduced 2023 estimates too.

Peer Group Absolute Performance

%	1M	3M	12M
Fresh Del Monte Produce Inc	-2.1%	15.2%	-1.1%
Total Produce PLC	4.7%	44.9%	95.8%
Greenyard NV	0.1%	38.3%	69.3%

Source: Thomson Reuters Eikon

Latest IR Press Releases

April 29 <sup>th</sup> , 2021	Resolutions of the Shareholders' Meeting ( <a href="#">link</a> )
March 30 <sup>th</sup> , 2021	Filing of documents relating to the shareholders' meeting ( <a href="#">link</a> )
March 19 <sup>th</sup> , 2021	Filing of notice convening the ordinary shareholders' meeting ( <a href="#">link</a> )

Financial Calendar

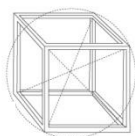
March 16 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 29 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
May 12 <sup>th</sup> , 2021	Board of Directors (Q1-21 Results)
September 13 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)
November 10 <sup>th</sup> , 2021	Board of Directors (Q3-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
19/03/2021	€ 11.50	BUY	FY-20 results	<a href="#">link</a>
26/02/2021	€ 8.50	BUY	Sector news	<a href="#">link</a>
02/02/2021	€ 8.50	BUY	FY-21 guidance	<a href="#">link</a>
16/11/2020	€ 8.50	BUY	Q3-20 results	<a href="#">link</a>

Investor Relations Contacts

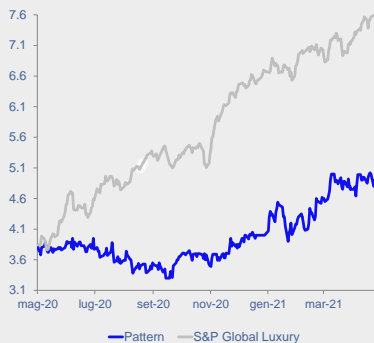
<b>Issuer</b> Orsero SpA Via Gaudenzio Fantoli, 6/15 20138 – Milano (MI)	<b>Investor Relations Manager</b> Edoardo Dupanloup +39 0182560400 investor.relations@orserogroup.it
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Italy - Luxury Engineering

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 7.00</b>
<b>Upside/(downside) %</b>	<b>47%</b>
<b>Last Price €</b>	<b>4.75</b>
<b>Market Cap. €m</b>	<b>65.1</b>
<b>1Y High €</b>	<b>5.20</b>
<b>1Y Low €</b>	<b>3.16</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>5,850</b>
<b>Free Float</b>	<b>28%</b>
<b>RIC</b>	<b>PTRN.MI</b>
<b>BBG</b>	<b>PTR IM</b>



Founded in 2000 by Fulvio Botto and Francesco Martorella (group directors and major shareholders with a 34.3% stake each), Pattern is the second Italian player (CFO SIM estimate) specialised in modelling, engineering, grading, prototyping and production of luxury clothing for men and women, and the undisputed leader in the outerwear niche, operating in the catwalk segment and among the top lines of the most prestigious global luxury brands. The firm manages the entire engineering and production cycle from patterns to prototypes, to the creation of ready-to-wear garments and successive productions. Pattern operates the high value added engineering and prototyping phases whilst production is outsourced to a plethora of suppliers ('façonists'). Pattern's global export sales reached almost 70% of total revenues. 88% of revenues come from production while engineering processes account for 11%. Female apparel contributes to 49% of total thanks to the acquisition of Roscini Atelier in 2017, whereas male apparel now accounts for some 51% of total revenues. In terms of products, most of the group's production comes from knitwear, namely 50% of total, outerwear account for 37% whilst the remainder is represented by upper wear and light wear. Since 2015, Pattern has voluntarily been drawing up sustainability reports according to the reporting guidelines of the Global Reporting Initiative (GRI Standards), focusing its attention on the Corporate Social Responsibility principles.

**STRENGTHS**

- Reference partner of the key absolute luxury brands in the fashion engineering space
- Made in Italy as primary key success factor in the luxury fashion industry
- Innovative fabrics and garment production techniques (ESEMPLARE)
- Advanced 3D pattern-making technologies
- Pattern is the only player ESG rated in the competitive arena
- Several market segments served: man, woman, outerwear, knitwear
- Flexible manufacturing structure, low WC pressure, complete selling proposition
- 43% of 2020 revenues stem from clients with 3-10 years of loyalty

**WEAKNESSES**

- Clients concentration: top 5 clients generated 83% of 2020 sales
- Management functions concentrated in few key people
- First 5 suppliers account for 17% / 44% of total purchases of raw material/services
- Limited sustainability certified façonists available, mainly in East Europe

€ m	2019	2020	2021e	2022e	2023e
Value of production	55.3	54.0	56.3	64.5	74.4
EBITDA	5.9	5.4	5.7	7.7	10.1
EBITDA Adjusted	7.2	4.9	5.7	7.7	10.1
EBIT	5.5	3.6	3.6	5.7	8.0
EBIT Adjusted	6.7	3.1	3.6	5.7	8.0
Net Profit	3.8	2.3	2.0	3.4	4.9
Net Profit Adjusted	4.7	1.8	2.0	3.4	4.9
Capex	1.8	5.1	3.2	0.7	0.7
Net Debt (Cash)	(12.4)	(8.8)	(9.3)	(13.3)	(18.5)
EPS reported FD (€/share)	0.28	0.17	0.15	0.25	0.35
EPS Adjusted FD (€/share)	0.34	0.13	0.15	0.25	0.35
CPS (€/share)	0.3	0.37	0.27	0.40	0.52
DPS (€/share)	0.1	0.00	0.05	0.09	0.12
EBITDA margin	13.0%	9.0%	10.1%	12.0%	13.5%
EBIT adj. margin	12.2%	5.7%	6.4%	8.8%	10.7%
Dividend yield	-	-	1.1%	1.8%	2.6%
Op NWC/Sales	4.6%	6.1%	6.7%	6.0%	5.1%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 8<sup>th</sup> April 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of production	24.2%	-2.4%	4.2%	14.5%	15.4%
EBITDA	10.5%	-9.4%	5.6%	36.2%	29.8%
EBIT	10.5%	-35.1%	0.5%	58.8%	40.0%
Net Profit	7.6%	-40.1%	-10.2%	64.8%	44.5%
Capex	n.m.	n.m.	-37.2%	-79.7%	7.7%
Net Cash	n.m.	-29.1%	5.5%	43.9%	38.9%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Burberry Group PLC	3.24	2.82	13.7	11.0	20.4	16.8	33.6	25.0	19.6	14.8
Capri Holdings Ltd	2.58	1.89	20.0	10.1	33.5	13.2	36.9	15.0	19.5	10.8
Compagnie Financiere Richemont SA	3.19	2.71	16.2	12.1	31.2	19.2	52.7	28.3	21.5	15.7
Hermes International SCA	13.03	11.55	32.4	28.5	38.0	33.0	58.8	51.4	46.8	41.6
Kering SA	5.33	4.89	15.0	13.4	19.6	17.1	29.0	24.6	19.9	17.4
LVMH Moet Hennessy Louis Vuitton SE	5.70	5.11	19.2	16.8	25.6	22.1	37.2	32.4	24.5	21.8
<b>Median Luxury</b>	<b>4.28</b>	<b>3.86</b>	<b>17.7</b>	<b>12.7</b>	<b>28.4</b>	<b>18.2</b>	<b>37.0</b>	<b>26.7</b>	<b>20.7</b>	<b>16.6</b>
Eurotech SpA	2.10	1.56	15.5	8.5	24.8	10.9	35.3	11.7	19.8	9.3
Fine Foods & Pharmaceuticals NTM SpA	1.07	0.91	7.6	6.1	14.3	10.8	22.1	17.6	10.2	8.7
Freni Brembo SpA	1.53	1.41	8.2	7.4	15.0	12.7	19.2	16.3	9.0	8.2
Sabaf SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.8	14.5	7.4	7.2
<b>Median domestic B2B</b>	<b>1.53</b>	<b>1.41</b>	<b>8.2</b>	<b>7.4</b>	<b>15.0</b>	<b>10.9</b>	<b>20.6</b>	<b>15.4</b>	<b>9.6</b>	<b>8.4</b>
<b>Pattern SpA</b>	<b>0.99</b>	<b>0.80</b>	<b>9.8</b>	<b>6.7</b>	<b>15.6</b>	<b>9.1</b>	<b>31.9</b>	<b>19.4</b>	<b>15.7</b>	<b>12.0</b>
% premium / (discount) to luxury	(76.8)	(79.2)	(44.5)	(47.4)	(45.1)	(49.9)	(13.7)	(27.4)	(24.1)	(27.4)
% premium / (discount) to domestic B2B	(34.9)	(42.9)	19.3	(9.3)	3.9	(16.7)	54.7	25.6	64.3	42.5

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Founders	68.0%	9.33
Luca Sburlati	1.6%	0.22
Free Float	28.4%	3.89
o/w Otus Capital Management	5.0%	0.69
<b>Total</b>	<b>100.0%</b>	<b>13.72</b>

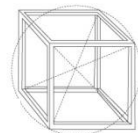
Source: Company data

Price performance	1M	3M	12M
Pattern	0.0%	18.5%	18.5%
Rel.to FTSE AIM	-5.5%	-3.4%	-17.2%
Rel.to Peers median	-8.0%	-5.0%	-33.8%

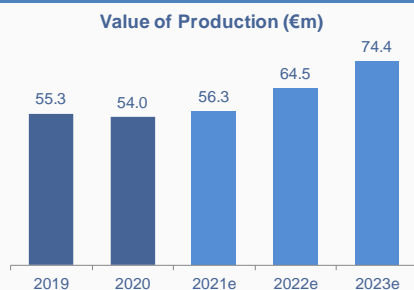
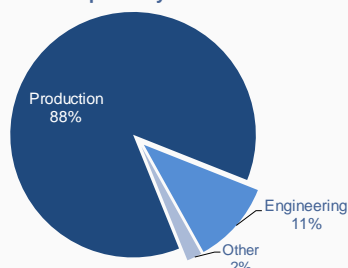
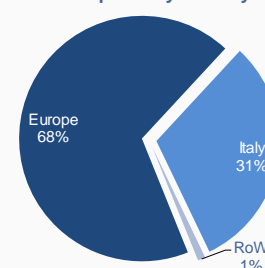
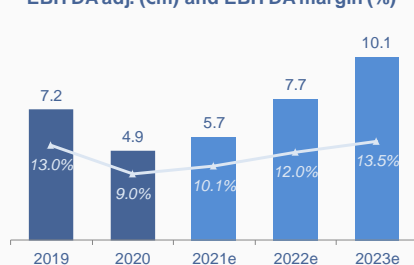
Source: Thomson Reuters Eikon

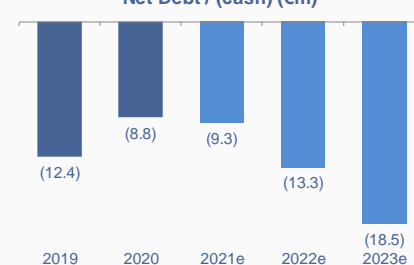
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Burberry	9,591	23.3%	3.4%	n.m.
Capri Holdings	6,923	12.9%	-3.1%	3.2
Richemont	44,580	19.5%	4.5%	n.m.
Hermes	111,132	39.8%	14.0%	n.m.
Kering	84,018	35.6%	11.7%	0.2
LVMH	318,710	29.2%	14.6%	1.0
Eurotech	183	13.5%	16.7%	n.m.
Fine Foods	265	14.1%	16.7%	n.m.
Brembo	3,488	18.5%	8.5%	0.6
Sabaf	262	20.0%	10.0%	1.7
<b>Pattern</b>	<b>65</b>	<b>10.1%</b>	<b>11.3%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon





**Italy - Luxury Engineering**

**2020 top line by service**

**2020 top line by country**

**EBITDA adj. (€m) and EBITDA margin (%)**

**Net Profit (€m)**

**Net Debt / (cash) (€m)**

**Investment Case: Reasons to Invest and Valuation**

The 2021 outlook is still feeble, as the markets are expected to suffer and perform a sluggishly in first half of the year, with the exception of the Far East market. H2-21 will be characterised by the first timid signs of recovery in Western economies too, thanks to the roll-out of the vaccination campaigns. Pattern is one season ahead of what is currently on sale in shops. That is why production and delivery are more affected by customers' expectations for the next seasons rather than by current in-store sales. Having said that, orders for the next autumn-winter season are anticipated to be on the rise. The 2022-23 outlook appears positive. There will be greater sensitivity to the quality aspects of manufacturing and the sustainability of products and supply chains. This attention could lead to potential reshoring to Italy of activities previously carried out abroad with a consequent expansion of the Made in Italy in the luxury segment to the benefit of Pattern.

Pattern's key strengths in these difficult business conditions are 1) the ability to work on different areas (men, women and knitwear) and to deal with different customers, 2) remarkable technological expertise for the remote development of collections via a 3D pattern-making technique, 3) high customer loyalty, 4) a flexible manufacturing structure with a large portion of outsourced production (80% of variable costs), 5) low WC pressure, and 6) an extremely solid balance sheet.

**Peer Group Absolute Performance**

%	1M	3M	12M
Burberry Group PLC	6.9%	19.9%	48.3%
Capri Holdings Ltd	11.5%	32.2%	261.2%
Compagnie Financiere Richemont	1.7%	13.0%	70.8%
Hermes International SCA	9.1%	23.9%	56.3%
Kering SA	11.2%	23.1%	44.8%
LVMH Moet Hennessy Louis Vuitton	9.5%	25.7%	77.7%
Eurotech SpA	-5.9%	5.4%	-15.5%
Fine Foods & Pharmaceuticals	10.1%	24.2%	22.4%
Freni Brembo SpA	-4.3%	-7.8%	33.4%
Sabaf SpA	-4.3%	36.4%	104.5%

Source: Thomson Reuters Eikon

**Latest IR Press Releases**

April 30 <sup>th</sup> , 2021	Ordinary shareholders' meeting of Pattern ( <a href="#">link</a> )
April 27 <sup>th</sup> , 2021	Communication about the proposal for allocation of the result for the year ( <a href="#">link</a> )
April 26 <sup>th</sup> , 2021	Notice of change in share capital ( <a href="#">link</a> )

**Financial Calendar**

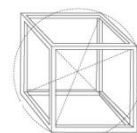
March 29 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 17 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

**Latest Equity Research published**

Date	PT €/s	Rating	Type of report	Download
08/04/2021	€ 7.00	BUY	FY-20 results	<a href="#">link</a>
26/02/2021	€ 6.00	BUY	SMT stake increase	<a href="#">link</a>
17/02/2021	€ 6.00	BUY	FY-20 prel. results	<a href="#">link</a>
28/09/2020	€ 5.00	BUY	H1-20 results	<a href="#">link</a>

**Investor Relations Contacts**

<b>Issuer</b> Pattern SpA Via Italia, 6/A 10093 – Collegno (TO)	<b>Investor Relations Manager</b> Sara De Benedetti +39 0114531597 sara.debenedetti@pattern.it
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Italy - Software

Rating **NEUTRAL**

Price Target **€ 11.30**

Upside/(downside) % **5%**

Last Price € **10.80**

Market Cap. €m **218.0**

1Y High € **12.10**

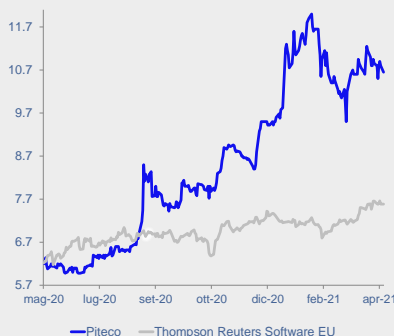
1Y Low € **5.60**

3M Avg Daily Turnover (n. shares) **6,048**

Free Float **26%**

RIC **PITE.MI**

BBG **PITE MI**



Piteco, more than 4x the size of its closest competitors, is the undisputed domestic leader in corporate treasury management and financial planning software. The company designs, develops and implements proprietary software and solutions for corporate cash and risk management. It focuses on large/mid enterprises operating in all industries except public administration. The Piteco software is 100% proprietary as well as modular (19 different modules), embeddable (it can work within Oracle, Sap or Microsoft environments), customisable (its open architecture allows several combinations of product modules) and available on foreign markets. The group is developing a challenging internationalisation and diversification process, boosted by the recent acquisitions: 1) Juniper Payments enables Piteco to penetrate the huge US market with a well-managed cash flow generative firm, paid for fairly cheaply; 2) Myrios widened the group's offer with a risk management, capital markets and compliance software dedicated to banks (60% of the business line turnover) as well as to large manufacturing and services companies (40%); 3) RAD, which has developed a knowledge management tool that connects all those interested in the operational management of NPL and litigation.

**STRENGTHS**

- Undisputed leading positioning in Italy, the Brand in treasury management software
- Substantial CF generation and sound BS allow external growth opportunities
- Pronounced visibility of top line and margins expansion

**WEAKNESSES**

- > 80% of sales come from Italy, heavy dependence on one single country
- Limited size in the international competitive arena

€ m	2019	2020	2021e	2022e	2023e
Sales	24.0	24.7	37.3	40.1	43.1
EBITDA	10.2	9.9	17.7	19.4	21.3
EBIT	7.3	6.3	11.3	13.1	13.8
Net Profit	3.0	7.1	9.4	11.1	11.8
Net Profit Adjusted	5.7	6.1	9.4	11.1	11.8
Capex	0.1	67.2	1.4	1.4	1.4
Net Debt (Cash)	27.5	65.0	47.8	33.1	17.5
EPS reported (€/share)	0.16	0.35	0.47	0.55	0.58
EPS Adjusted (€/share)	0.31	0.34	0.52	0.61	0.65
CPS (€/share)	0.38	1.20	1.05	0.94	1.04
DPS (€/share)	0.15	0.15	0.15	0.20	0.20
EBITDA margin	42.6%	40.2%	47.4%	48.5%	49.3%
EBIT margin	30.2%	25.5%	30.3%	32.8%	32.0%
Dividend yield	1.4%	1.4%	1.4%	1.9%	1.9%
ROCE	10.7%	4.7%	8.0%	9.1%	9.4%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 29<sup>th</sup> March 2021

% YoY	2019	2020	2021e	2022e	2023e
Turnover	18.9%	2.8%	50.9%	7.5%	7.5%
EBITDA	23.9%	-3.0%	77.9%	10.0%	9.4%
EBIT	13.4%	-13.0%	79.1%	16.1%	5.0%
Net Profit	-42.7%	n.m.	32.6%	18.2%	6.0%
Net Profit Adjusted	12.4%	8.0%	53.1%	18.2%	6.0%
Capex	-99.4%	n.m.	-98.0%	0.0%	0.0%
Debt	2.6%	n.m.	-26.5%	-30.6%	-47.0%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Intuit Inc	12.31	10.51	34.0	28.4	37.2	30.9	49.4	41.6	44.0	37.4
Microsoft Corp	10.98	9.68	22.7	19.9	26.8	23.9	32.0	30.1	26.6	24.2
Oracle Corp	6.18	6.10	12.0	11.9	13.3	13.2	16.2	15.8	14.2	13.8
Salesforce.Com Inc	7.95	6.57	26.8	21.9	45.3	35.5	62.5	49.5	32.5	27.2
SAP SE	5.50	5.20	16.6	15.7	19.3	18.2	24.1	24.2	19.9	20.0
<b>Median large player</b>	<b>7.95</b>	<b>6.57</b>	<b>22.7</b>	<b>19.9</b>	<b>26.8</b>	<b>23.9</b>	<b>32.0</b>	<b>30.1</b>	<b>26.6</b>	<b>24.2</b>
Datalogic SpA	1.84	1.70	13.5	11.3	23.4	17.8	31.3	22.9	15.5	13.1
Digital Bros SpA	2.34	2.28	8.4	6.9	14.6	12.6	19.6	17.8	9.9	8.4
Expert System SpA	5.35	3.51	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Exprivia SpA	0.47	0.40	3.8	3.0	5.2	4.0	5.5	4.0	3.1	2.6
Reply SpA	2.80	2.48	17.2	15.1	21.3	18.3	32.1	28.2	24.0	21.7
TXT e solutions SpA	1.12	1.33	9.1	10.3	12.9	15.9	18.0	15.5	11.4	9.3
<b>Median small player</b>	<b>2.09</b>	<b>1.99</b>	<b>9.1</b>	<b>10.3</b>	<b>14.6</b>	<b>15.9</b>	<b>19.6</b>	<b>17.8</b>	<b>11.4</b>	<b>9.3</b>
<b>Piteco SpA</b>	<b>7.13</b>	<b>6.27</b>	<b>15.0</b>	<b>12.9</b>	<b>23.5</b>	<b>19.1</b>	<b>23.2</b>	<b>19.6</b>	<b>13.8</b>	<b>12.5</b>
% premium / (discount) to large players	(10.4)	(4.6)	(33.8)	(35.1)	(12.3)	(20.1)	(27.7)	(34.9)	(48.0)	(48.4)
% premium / (discount) to small players	241.0	214.7	66.0	25.8	60.8	20.1	18.2	10.1	21.5	34.2

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Podini Family + Management + Treasury sh.	74.1%	14.22
Free Float	25.9%	5.22
<b>Total</b>	<b>100.0%</b>	<b>20.18</b>

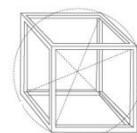
Source: Company data

Price performance	1M	3M	12M
Piteco	1.9%	-2.3%	75.3%
Rel.to FTSE Italia All Shares	3.6%	-14.7%	38.6%
Rel.to Sector	-3.6%	-9.7%	57.0%

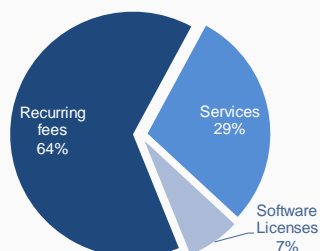
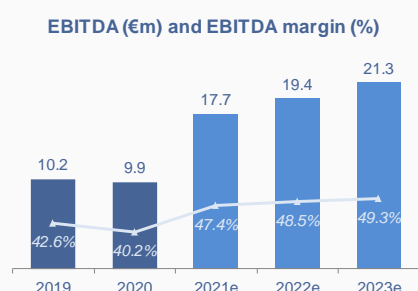
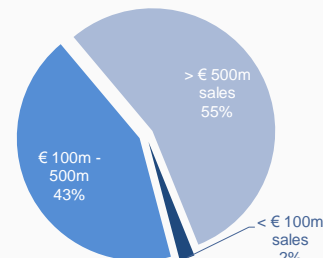
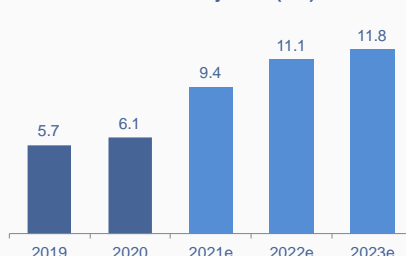
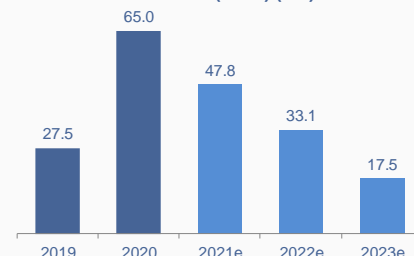
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>2019-23</sub>	NFP/EBITDA FY1
Intuit	93,915	35.9%	13.4%	n.m.
Microsoft	1,580,399	47.3%	10.5%	n.m.
Oracle	181,848	50.7%	0.5%	1.4
Salesforce	176,743	29.1%	20.4%	n.m.
SAP	143,440	32.9%	3.4%	0.7
Datalogic	1,007	13.4%	2.3%	0.3
Digital Bros	339	25.5%	5.2%	n.m.
Expert System	157	5.0%	13.5%	12.8
Exprivia	44	11.2%	-33.0%	2.3
Reply	4,266	16.2%	11.0%	n.m.
TXT e solutions	98	12.4%	12.9%	n.m.
<b>Piteco</b>	<b>218</b>	<b>47.4%</b>	<b>20.4%</b>	<b>2.7</b>

Source: Thomson Reuters Eikon



**Italy - Software**

**2020 top line by service**

**2020 top line by client profile (sales)**

**Net Profit adjusted (€m)**

**Net Debt / (cash) (€m)**

**Investment Case: Reasons to Invest and Valuation**

Piteco reported flatish 2020 results in terms of top line and profitability, lower than our projections and consensus. Piteco TMS showed strong resiliency in this difficult scenario. Myrios and Juniper were affected by the pandemic and suffered YoY. The first months of 2021, although characterized by the persistence of the Covid-19 pandemic, confirmed the soundness of the investments and strategies implemented: Piteco parent co. (TMS) has launched the new version of the Piteco Evo 5.0 product on the market together with IDM, the new suite for data matching, and pushed its commercial staff towards the sale of its cloud solutions; Myrios has continued to develop its solutions, also taking advantage of the opportunities for integration with Piteco's products; RAD, the recently acquired company, is working to grasp synergies arising from the integration in the group as of 2021; Juniper Payments continues in its market scouting activities and in the development of new instant payment solutions specifically aimed at the US market.

Following FY-20 results release, we have fine-tuned our estimates, factoring in a slowdown in growth compared to our previous projections for 2021. Then, in 2022, we expect business to return to normal.

After the stock's recent grueling rise following the valuation boost brought in by the RAD acquisition, the price of the stock could enter in a meditative phase, awaiting confirmation of the expected recovery in growth at the time of the next earnings release.

**Peer Group Absolute Performance**

%	1M	3M	12M
Intuit Inc	4.3%	14.1%	52.8%
Microsoft Corp	4.1%	8.7%	40.7%
Oracle Corp	5.5%	25.4%	43.1%
Salesforce.Com Inc	5.3%	2.1%	42.2%
SAP SE	9.3%	11.4%	7.2%
Datalogic SpA	-2.3%	18.9%	35.9%
Digital Bros SpA	-7.9%	25.3%	66.8%
Expert System SpA	2.5%	26.9%	13.1%
Exprivia SpA	1.0%	8.3%	15.2%
Reply SpA	1.0%	12.0%	77.3%
TXT e solutions SpA	-1.2%	5.3%	-4.3%

Source: Thomson Reuters Eikon

**Latest IR Press Releases**

April 29 <sup>th</sup> , 2021	The Shareholders' meeting approves the 2020 Financial Statements and the distribution of a dividend of € 0.15 per share ( <a href="#">link</a> )
April 23 <sup>rd</sup> , 2021	Change in financial calendar ( <a href="#">link</a> )
April 8 <sup>th</sup> , 2021	Publication of documents relating to the shareholders' meeting ( <a href="#">link</a> )

**Financial Calendar**

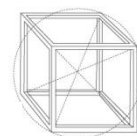
March 24 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 29 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 28 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

**Latest Equity Research published**

Date	PT €/s	Rating	Type of report	Download
29/03/2021	€ 11.30	BUY	FY-20 results	<a href="#">link</a>
04/11/2020	€ 11.30	BUY	RAD Acquisition	<a href="#">link</a>
29/09/2020	€ 9.40	BUY	H1-20 results	<a href="#">link</a>
24/03/2020	€ 7.00	BUY	FY-19 results	<a href="#">link</a>

**Investor Relations Contacts**

<b>Issuer</b> Piteco SpA Via Imbonati, 18 20159 – Milano (MI)	<b>Investor Relations Manager</b> Riccardo Veneziani +39 023660931 investor@pitecolab.it
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Italy - Textile Flooring

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 2.50</b>
<b>Upside/(downside) %</b>	<b>36%</b>
<b>Last Price €</b>	<b>1.85</b>
<b>Market Cap. €m</b>	<b>16.1</b>
<b>1Y High €</b>	<b>2.12</b>
<b>1Y Low €</b>	<b>1.24</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>12,960</b>
<b>Free Float</b>	<b>24%</b>
<b>RIC</b>	<b>RADIC.MI</b>
<b>BBG</b>	<b>RAD IM</b>



Founded in 1950 in Cazzano Sant'Andrea, close to Bergamo (Italy), Radici Pietro is a leading international player in the textile flooring market, designing, manufacturing and selling high-end carpet floorings, artificial turf and non-woven fabrics, chiefly custom-made. The group operates three production plants, two in Italy and one in Hungary, and four commercial branches worldwide, managing the entire value chain, from raw materials processing to the production of finished goods, including the quality control, testing phases and distribution. Radici Pietro covers almost 90 countries, serving more than 2,000 customers in four different industries: Residential & Contract, Marine, Sport and Automotive. The group global export sales are 53% of total revenues. 44% of turnover comes from the Residential & Contract segment, 25% from Sport, 24% from Automotive and 8% from Marine.

**STRENGTHS**

- Leading player in the textile flooring market
- Wide product portfolio with several types of textile coverings for flooring
- Vertical integration: from raw material processing to finished goods distribution
- International presence: 53% of FY-20 turnover

**WEAKNESSES**

- Exposure to foreign currencies
- Few key relevant people represent a vital asset for the company
- Limited fire power for M&A and development

€ m	2019PF	2020	2021e	2022e	2023e
Total Revenues	59.4	43.0	47.0	56.5	65.0
Value of Production	63.9	43.6	47.7	57.3	65.8
EBITDA	6.8	0.6	2.2	4.5	6.4
EBIT	4.0	0.1	(0.8)	1.4	3.3
Net Profit	5.6	(0.9)	(1.5)	0.8	2.6
Capex	3.2	1.7	1.0	4.0	4.0
Net Debt (Cash)	22.0	20.0	18.6	21.5	17.5
EPS reported (€/share)	0.64	(0.10)	(0.17)	0.09	0.30
EPS Adjusted (€/share)	0.64	(0.10)	(0.17)	0.09	0.30
CPS (€/share)	0.14	0.08	0.27	0.13	0.44
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	11.4%	1.4%	4.7%	7.9%	9.8%
EBIT margin	6.7%	0.1%	-1.8%	2.6%	5.2%
Dividend yield	-	-	-	-	-
ROCE	5.8%	0.1%	-1.3%	2.2%	4.9%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 12<sup>th</sup> April 2021

% YoY	2019PF	2020	2021e	2022e	2023e
Total Revenues	-1.4%	-27.7%	9.5%	20.2%	15.0%
Value of Production	2.9%	-31.7%	9.4%	20.0%	14.8%
EBITDA	46.6%	-91.0%	n.m.	n.m.	43.5%
EBIT	n.m.	-98.6%	n.m.	n.m.	n.m.
Net Profit	n.m.	n.m.	-65.6%	n.m.	n.m.
Capex	42.5%	-48.2%	-39.5%	n.m.	0.0%
Debt	-25.7%	-9.5%	-6.9%	15.6%	-18.3%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Aquafil SpA	0.92	0.79	6.7	5.4	23.6	14.2	27.4	14.5	4.5	3.9
Balta Group NV	0.61	0.57	4.8	4.3	10.5	8.5	7.9	9.0	1.7	1.8
Interface Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.4	11.5	8.3	7.1
Mohawk Industries Inc	1.45	1.36	8.6	7.9	13.0	11.6	16.2	14.9	9.6	9.2
Somec SpA	0.42	0.41	4.2	3.6	8.8	6.2	23.6	12.9	7.6	6.0
Tarkett SA	0.64	0.59	6.5	5.5	15.9	12.4	21.6	15.1	6.1	5.3
Victoria PLC	2.44	2.23	13.1	12.2	21.4	19.9	37.0	38.7	14.7	14.1
<b>Median</b>	<b>0.78</b>	<b>0.69</b>	<b>6.6</b>	<b>5.5</b>	<b>14.5</b>	<b>12.0</b>	<b>21.6</b>	<b>14.5</b>	<b>7.6</b>	<b>6.0</b>
<b>Radici Pietro Industries &amp; Brands SpA</b>	<b>0.74</b>	<b>0.66</b>	<b>15.8</b>	<b>8.4</b>	<b>n.m.</b>	<b>26.0</b>	<b>n.m.</b>	<b>21.2</b>	<b>10.6</b>	<b>4.3</b>
% premium / (discount)	(5.3)	(3.2)	139.5	54.2	n.m.	117.3	n.m.	46.2	39.3	(29.2)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
MRFoC SpA	69.9%	6.09
Radici Family	6.0%	0.53
Free Float	24.1%	2.10
<b>Total</b>	<b>100.0%</b>	<b>8.72</b>

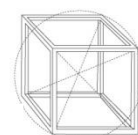
Source: Company data

Price performance	1M	3M	12M
Radici Pietro	3.9%	3.4%	16.0%
Rel.to FTSE AIM	-1.6%	-18.5%	-19.6%
Rel.to Peers Median	0.0%	-33.1%	-85.5%

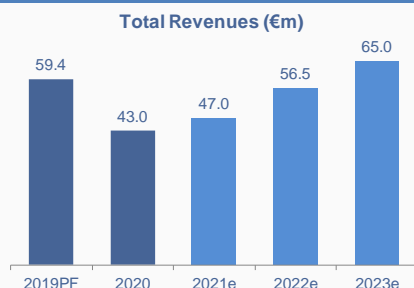
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Aquafil	256	13.7%	8.7%	2.9
Balta Group	95	12.7%	4.0%	3.6
Interface	627	12.8%	2.8%	n.a.
Mohawk Ind.	11,920	16.4%	6.7%	0.6
Somec	163	10.1%	15.5%	n.m.
Tarkett	1,325	10.4%	3.0%	1.4
Victoria	1,316	17.7%	5.6%	3.8
<b>Radici Pietro</b>	<b>16</b>	<b>4.7%</b>	<b>14.8%</b>	<b>8.4</b>

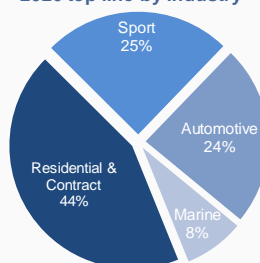
Source: Thomson Reuters Eikon



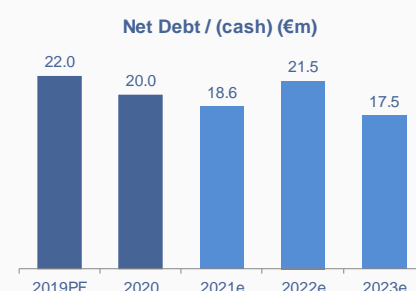
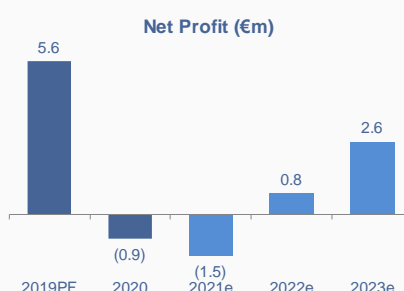
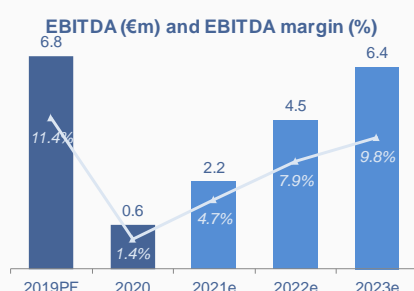
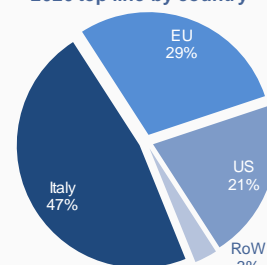
Italy - Textile Flooring



**2020 top line by industry**



**2020 top line by country**



Investment Case: Reasons to Invest and Valuation

Radici Pietro reported FY-20 results heavily hit by the pandemic but slightly better than expectations in terms of revenues. The Automotive segment drove the beat in estimate as the group obtained some orders from a few major automotive players. The Sports segment benefited from the increasing demand for artificial turf. The Residential & Contract division performed in line with expectations while the Marine segment suffered from the crisis of the cruise ship sector. The group updated its guidance for 2021 in order to factor in a still unfavourable environment in H1-21 and a timid recovery in the second half of the year. For the time being, Radici Pietro left its 2022 projections unchanged.

On the back of FY-20 results and the company's guidance update for 2021, we have updated our model almost aligning our FY-21 projections with the guidance provided by the group to the market. However, we still assume a more conservative stance for 2022. We have also introduced projections for 2023.

The group offers more than enough equity and near zero intangibles in addition to long-term debt facilities required to adequately run operations. The firm is properly equipped to weather the current poor market conditions and to benefit from a future demand trend reversal, even exploiting the new business opportunities (e.g. an innovative treatment able to reduce the COVID-19 viral load on textile floorings).

Peer Group Absolute Performance

%	1M	3M	12M
Aquafil SpA	11.2%	39.6%	73.3%
Balta Group NV	4.0%	36.5%	101.5%
Interface Inc	1.0%	27.9%	39.0%
Mohawk Industries Inc	3.6%	43.1%	134.3%
Somec SpA	-1.3%	26.5%	40.1%
Tarkett SA	42.8%	36.1%	121.8%
Victoria PLC	15.8%	42.0%	366.7%

Source: Thomson Reuters Eikon

Latest IR Press Releases

April 30 <sup>th</sup> , 2021	General Shareholders' Meeting ( <a href="#">link</a> )
April 19 <sup>th</sup> , 2021	KID update ( <a href="#">link</a> )
April 15 <sup>th</sup> , 2021	Call of the shareholders' meeting and publication of the shareholder's documentation ( <a href="#">link</a> )

Financial Calendar

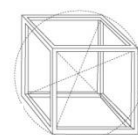
March 31 <sup>st</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 27 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
12/04/2021	€ 2.50	BUY	FY-20 results	<a href="#">link</a>
30/09/2020	€ 2.90	BUY	H1-20 results	<a href="#">link</a>
16/06/2020	€ 2.70	BUY	Initiation of Coverage	<a href="#">link</a>

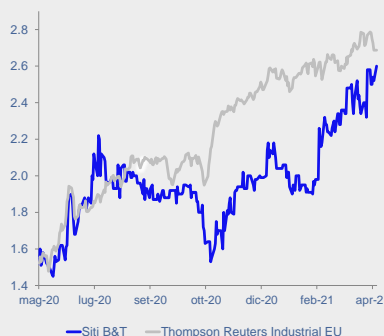
Investor Relations Contacts

<b>Issuer</b> Radici Pietro Industries & Brands SpA Via Cavalier Pietro Radici, 19 24024 – Cazzano Sant'Andrea (BG)	<b>Investor Relations Manager</b> Avv. Giuseppe Morettini +39 035724242 ir@radici.it
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Italy - Machinery

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 4.20</b>
<b>Upside/(downside) %</b>	<b>67%</b>
<b>Last Price €</b>	<b>2.52</b>
<b>Market Cap. €m</b>	<b>31.6</b>
<b>1Y High €</b>	<b>2.64</b>
<b>1Y Low €</b>	<b>1.40</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>13,214</b>
<b>Free Float</b>	<b>25%</b>
<b>RIC</b>	<b>SITIMI</b>
<b>BBG</b>	<b>SITIMI</b>



Siti B&T is the world's third largest provider of plants and machinery for the production of tiles and sanitary ware. Nonetheless, Siti B&T is unquestionably the only player covering the entire value chain, from raw material processing, surface finishing and decoration, to finished product management and storage. The company offers a comprehensive range of technologies and solutions to its clients. The technology is proprietary, developed internally in the technological center, granting an ample competitive advantage: Siti B&T, for a part of its selling proposition, is at least 3 years ahead of its rivals.

The ceramic production machinery segment is in the midst of a consolidation process. Siti B&T is the best positioned amongst the top five players to be the most active actor in the arena. Other competitors do not have the necessary group flexibility and quick response to play a key role in this process. In the next three-five years' time, the competitive landscape is set to change significantly.

**STRENGTHS**

- The only player covering the entire value chain in production plants
- Proved positive track record in integrating acquisitions with value generation
- Flexible production structure, 80% outsourced, low capital employed
- Widespread geographical portfolio

**WEAKNESSES**

- High inventory levels tied to the enlargement of the product range
- The market is falling and it is not anticipated to reverse in the short term
- Sizeable weight of WC, generally 45-50% of turnover

€ m	2019	2020	2021e	2022e	2023e
Sales	175.2	142.3	168.4	186.7	194.4
Value of Production	187.1	149.4	175.2	194.3	202.3
EBITDA	18.7	11.0	16.4	19.5	20.3
EBITDA Adjusted	19.0	11.0	16.4	19.5	20.3
EBIT	8.5	(0.4)	5.3	8.4	9.1
Net Profit	2.9	(2.5)	1.7	4.5	5.7
Net Profit Adjusted	2.9	(2.5)	1.7	4.5	5.7
Capex	29.3	15.7	4.3	3.4	3.4
Net Debt (Cash)	59.1	54.8	52.1	47.3	35.1
EPS Reported (€/share)	0.24	(0.20)	0.13	0.36	0.45
EPS Adjusted (€/share)	0.24	(0.20)	0.13	0.36	0.45
CPS (€/share)	1.83	1.53	0.55	0.65	1.24
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	10.8%	7.7%	9.7%	10.4%	10.4%
EBIT margin	4.9%	-0.3%	3.1%	4.5%	4.7%
Dividend yield	-	-	-	-	-
Op NWC/Sales	56.3%	69.6%	62.1%	61.0%	59.6%
ROCE	5.0%	neg.	2.9%	5.2%	6.4%

Source: Company data, CFO Sim. Estimates, Rating and Price Target updated as of 30<sup>th</sup> April 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of Production	-13.0%	-20.2%	17.3%	10.9%	4.1%
EBITDA	3.0%	-41.2%	49.3%	18.7%	4.3%
EBIT	-31.6%	n.m.	n.m.	59.6%	8.4%
Net Profit	-57.5%	n.m.	n.m.	n.m.	25.8%
Net Profit Adjusted	-57.5%	n.m.	n.m.	n.m.	25.8%
Capex	n.m.	-46.5%	-72.5%	-20.9%	0.0%
Debt	37.8%	-7.3%	-5.0%	-9.3%	-25.7%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Biesse SpA	0.96	0.86	10.0	7.6	21.1	13.3	40.2	24.1	13.5	10.9
Interpump Group SpA	3.54	3.26	15.4	14.0	20.5	18.4	27.2	24.7	18.8	17.2
Prima Industrie SpA	0.81	0.67	8.9	6.2	19.6	13.0	30.7	13.5	8.4	5.3
<b>Median Italian</b>	<b>0.96</b>	<b>0.86</b>	<b>10.0</b>	<b>7.6</b>	<b>20.5</b>	<b>13.3</b>	<b>30.7</b>	<b>24.1</b>	<b>13.5</b>	<b>10.9</b>
Alfa Laval AB	3.12	2.88	15.6	14.4	19.9	17.7	25.4	23.7	18.6	18.0
GEA Group AG	1.34	1.26	11.3	9.9	17.3	14.8	26.1	22.3	14.9	13.2
Krones AG	0.60	0.55	7.8	6.1	17.3	11.0	26.3	17.1	9.9	8.1
Kuka AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sulzer AG	1.18	1.06	9.1	7.9	13.0	10.8	18.8	15.9	11.0	9.9
<b>Median Foreign</b>	<b>1.26</b>	<b>1.16</b>	<b>10.2</b>	<b>8.9</b>	<b>17.3</b>	<b>12.9</b>	<b>25.8</b>	<b>19.7</b>	<b>12.9</b>	<b>11.6</b>
<b>Siti B&amp;T Group SpA</b>	<b>0.50</b>	<b>0.42</b>	<b>5.1</b>	<b>4.1</b>	<b>15.8</b>	<b>9.4</b>	<b>18.8</b>	<b>7.0</b>	<b>2.5</b>	<b>2.0</b>
% premium / (discount) to Italian	(48.4)	(50.7)	(48.9)	(47.0)	(22.7)	(29.5)	(38.7)	(70.8)	(81.8)	(81.3)
% premium / (discount) to Foreign	(60.5)	(63.7)	(50.0)	(54.4)	(8.3)	(27.3)	(26.9)	(64.3)	(80.9)	(82.4)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Barbieri & Tarozzi Holding	74.7%	9.36
Free Float	25.3%	3.17
<b>Total</b>	<b>100.0%</b>	<b>12.53</b>

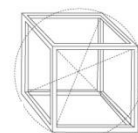
Source: Company data

Price performance	1M	3M	12M
Siti B&T	1.6%	29.9%	64.7%
Rel.to FTSE AIM	-3.9%	8.0%	29.1%
Rel.to EU Sector	0.2%	20.7%	-3.2%

Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Biesse	676	9.6%	9.5%	n.m.
Interpump	4,864	9.1%	14.6%	2.6
Prima Industrie	221	9.6%	9.5%	1.6
Alfa Laval	11,942	11.9%	2.6%	n.m.
GEA Group	6,645	7.7%	5.0%	n.m.
Krones	2,290	n.a.	n.a.	n.a.
Kuka	2,076	12.8%	4.8%	1.2
Sulzer	3,264	11.9%	2.7%	0.4
<b>Siti B&amp;T</b>	<b>32</b>	<b>9.7%</b>	<b>11.0%</b>	<b>0.3</b>

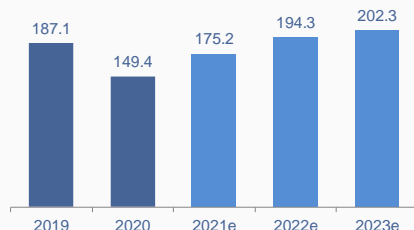
Source: Thomson Reuters Eikon



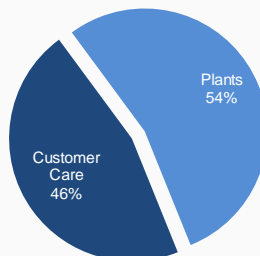


Italy - Machinery

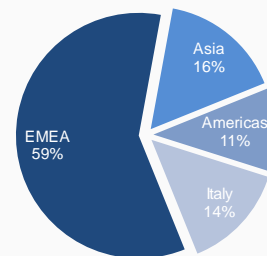
Value of Production (€m)



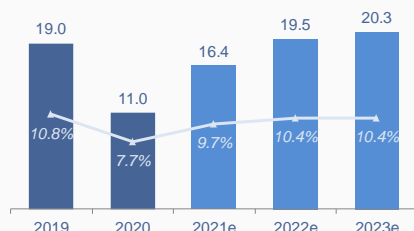
2020 top line by business unit



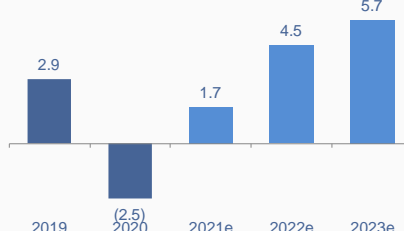
2020 top line by country



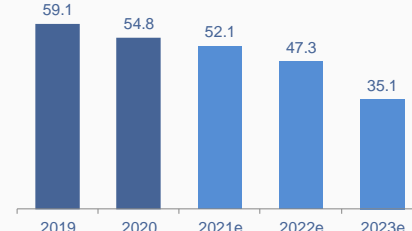
EBITDA adj. (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

FY-20 numbers came in significantly better than our forecasts despite the fact that the group was heavily hit by the pandemic. The figures were almost one year ahead of our estimates. In 2020, the group's reference market collapsed by 18.6% (source: ACIMAC), as the COVID-19 pandemic added to the negative phase the ceramic machinery and equipment industry had already been going through since 2019, when the sector's turnover declined 15.7%. A recovery in new orders started in the second part of 2020 and continued in the first months of 2021.

In a falling reference market, Siti B&T showed rather resilient profitability thanks to its operating cost structure consisting of 80% variable costs coupled with the close attention paid to overheads. Furthermore, the group continued in its efforts to invest in R&D in order to develop new technological solutions able to stimulate demand, contribute to strengthening recovery and preserve the group's competitive position.

Peer Group Absolute Performance

%	1M	3M	12M
Biesse SpA	2.3%	25.7%	197.1%
Interpump Group SpA	1.8%	19.6%	66.7%
Prima Industrie SpA	-6.1%	47.0%	56.9%
Alfa Laval AB	7.7%	30.4%	56.1%
GEA Group AG	3.9%	27.9%	74.0%
Krones AG	2.3%	6.1%	31.7%
Kuka AG	22.0%	43.8%	43.4%
Sulzer AG	-3.4%	7.9%	52.3%

Source: Thomson Reuters Eikon

Latest IR Press Releases

April 30 <sup>th</sup> , 2021	General Shareholders' Meeting ( <a href="#">link</a> )
March 31 <sup>st</sup> , 2021	Approval of the draft and consolidated financial statements as at 31-Dec-20 ( <a href="#">link</a> )
February 22 <sup>nd</sup> , 2021	Diatex (Siti B&T group) acquires 70% of Mec Abrasives ( <a href="#">link</a> )

Financial Calendar

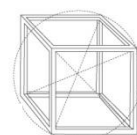
March 31 <sup>st</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 30 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
30/04/2021	€ 4.20	BUY	FY-20 results	<a href="#">link</a>
09/10/2020	€ 2.80	NEUTRAL	H1-20 results	<a href="#">link</a>
23/04/2020	€ 2.30	NEUTRAL	FY-19 results	<a href="#">link</a>
03/10/2019	€ 5.20	BUY	H1-19 results	<a href="#">link</a>

Investor Relations Contacts

<b>Issuer</b> Siti B&T Group SpA Via Prampolini, 18 41043 – Formigine (MO)	<b>Investor Relations Manager</b> Claudio Forlani +39 059446111 investor.relations@siti-bt.com
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#### ANALYSTS CERTIFICATION

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**DBA Group SpA:** CFO SIM acts as a Corporate Broker for DBA Group SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
28/01/2021	€1.50	BUY
10/11/2020	€1.50	BUY
26/10/2020	€1.50	BUY
22/06/2020	€1.80	BUY
31/10/2019	€2.60	BUY

**DIGITAL360 SpA:** CFO SIM acts as a Nominated Adviser and Corporate Broker for DIGITAL360 SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

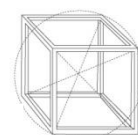
DATE	TARGET PRICE	RATING
25/03/2021	€4.00	BUY
12/02/2021	€3.10	BUY
23/09/2020	€2.40	BUY
26/06/2020	€1.70	BUY
29/04/2020	€1.20	BUY
23/10/2019	€1.20	BUY

**Digital Value SpA:** CFO SIM acts as a Nominated Adviser, Specialist and Corporate Broker for Digital Value SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
09/04/2021	€68.00	BUY
10/08/2020	€38.40	BUY
01/04/2020	€27.70	BUY
25/09/2019	€21.20	BUY
17/05/2019	€21.20	BUY

**Growens SpA:** CFO SIM acts as a Corporate Broker for Growens SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
30/03/2021	€6.00	BUY
11/01/2021	€6.60	BUY
10/12/2020	€6.60	BUY
13/11/2020	€6.60	BUY
21/09/2020	€6.30	NEUTRAL
14/05/2020	€4.60	NEUTRAL
02/04/2020	€4.60	NEUTRAL



**Italian Wine Brands SpA:** CFO SIM acts as a Corporate Broker for Italian Wine Brands SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
22/03/2021	€41.50	BUY
22/01/2021	€30.00	BUY
04/12/2020	€25.00	BUY
18/09/2020	€25.00	BUY
25/03/2020	€20.00	BUY
03/03/2020	U.R.	BUY
08/01/2020	€19.20	BUY
17/09/2019	€19.20	BUY

**Labomar SpA:** CFO SIM acts as a Corporate Broker for Labomar SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
09/04/2021	€9.50	NEUTRAL
05/02/2021	€8.50	BUY
23/11/2020	€8.50	BUY

**Monnalisa SpA:** CFO SIM acts as a Nominated Adviser, Specialist and Corporate Broker for Monnalisa SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

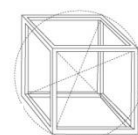
DATE	TARGET PRICE	RATING
30/10/2020	€2.50	NEUTRAL
22/05/2020	€4.00	NEUTRAL
09/03/2020	U.R.	NEUTRAL
10/10/2019	€7.80	NEUTRAL
10/05/2019	€12.00	BUY

**Orsero SpA:** CFO SIM acts as a Corporate Broker for Orsero SpA stock, listed on MTA - STAR. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
19/03/2021	€11.50	BUY
26/02/2021	€8.50	BUY
02/02/2021	€8.50	BUY
16/11/2020	€8.50	BUY
16/09/2020	€8.50	BUY
15/05/2020	€7.00	BUY
18/03/2020	€7.00	BUY
13/02/2020	U.R.	BUY
12/09/2019	€8.40	BUY

**Pattern SpA:** CFO SIM acts as a Nominated Adviser and Corporate Broker for Pattern SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
08/04/2021	€7.00	BUY
26/02/2021	€6.00	BUY
17/02/2021	€6.00	BUY
28/09/2020	€5.00	BUY
28/04/2020	€4.40	NEUTRAL
25/03/2020	U.R.	BUY
20/12/2019	€5.80	BUY



**Piteco SpA:** CFO SIM acts as a Corporate Broker for Piteco SpA stock, listed on MTA. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
29/03/2021	€11.30	NEUTRAL
04/11/2020	€11.30	BUY
29/09/2020	€9.40	BUY
24/03/2020	€7.00	BUY
17/10/2019	€8.10	BUY
30/09/2019	€8.10	BUY
21/05/2019	€7.20	BUY

**Radici Pietro Industries & Brands SpA:** CFO SIM acts as a Corporate Broker for Radici Pietro Industries & Brands SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
12/04/2021	€2.50	BUY
18/03/2021	€2.90	BUY
30/09/2020	€2.90	BUY

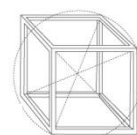
**SITI B&T SpA:** CFO SIM acts as a Nominated Adviser, Specialist and Corporate Broker for SITI B&T SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
30/04/2021	€4.20	BUY
09/10/2020	€2.80	NEUTRAL
23/04/2020	€2.30	NEUTRAL
03/10/2019	€5.20	BUY
20/05/2019	€9.00	BUY

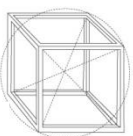
#### RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% bands identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return 12 months forward** and not on the basis of the estimated out/underperformance relative to a market index. Thus, the rating can be directly linked with the estimated percentage difference between current price and target price. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.



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